COPY

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200343



June 3, 1998

**VIA FEDERAL EXPRESS**

Re: LCP Chemical Site, Linden, Union County, New Jersey
Request for Information

Mr. Richard Ho
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region 2
290 Broadway, 19th Floor
New York, NY 10007

Dear Mr. Ho:

Enclosed is the Hanlin Group, Inc.'s response to the EPA's request for information.

Very truly yours,

Eduardo J. Glas

EJG:cag
enclosure
cc: Mr. Muthu Sundram, Esq., Assistant Regional Counsel

RESPONSE OF THE HANLIN GROUP INC.
TO THE EPA'S REQUEST FOR INFORMATION
REGARDING THE LCP CHEMICAL SITE IN
LINDEN, NEW JERSEY

Hanlin Group Inc. ("Hanlin") submits this response to the Request for Information of the United States Environmental Protection Agency ("EPA") under Section 104(e) of CERCLA regarding the LCP Chemical Site in Linden, New Jersey (the "Site").

Several factors hamper Hanlin's ability to provide fully responsive answers to the EPA's request. First, Hanlin filed for bankruptcy in 1991 under Chapter 11 of the Bankruptcy Code. Although the company continued manufacturing operations in other states for some period of time, it sold its operating assets in April, 1994 and all manufacturing ceased at that time. Hanlin has been liquidating its remaining assets and fixing its liabilities since then. The estate is administratively insolvent, meaning that it does not have sufficient assets to pay its post petition creditors.

Second, the company has only one remaining employee in New Jersey, Alan Margulies, who is the treasurer/secretary of Hanlin. Mr. Margulies was not an officer, director or employee of Hanlin during the bankruptcy until after operations ceased (although he was previously Hanlin's outside accountant). In addition to Mr. Margulies, Hanlin retains the services of Karl DeVoe as a consultant to monitor the Site for security and environmental purposes. The company ceased manufacturing activities at the Site in 1985 long before the bankruptcy filing, and after some terminalling operations, all activities ceased in early 1993. All corporate officers and employees who were located in New Jersey pre- and post-petition left the company in 1994.

Third, the company's records are in complete disarray. Many of the company records were warehoused in Pennsylvania. After Hanlin received notice of a claim for storage costs, a motion was filed by Hanlin in Bankruptcy Court to abandon the records. The motion was duly served on the EPA at the time. An order was thereafter entered by the Honorable Stephen A. Stripp authorizing abandonment of the records in that warehouse.

With respect to records maintained at the Linden Site, we are informed that the cabinets and storing file drawers holding those documents were emptied and removed from the Site to be sold as used-furniture. The party to whom the cabinets were allegedly sold apparently just dumped the documents and took the cabinets. As a result, the documents contained in those cabinets were left in heaps and strewn throughout the floor of a building at the Site. Nevertheless, if the EPA desires to inspect the Site or any of these documents, Hanlin will make them available for inspection upon request. Given the current state of affairs, including Hanlin's lack of manpower and resources and the status of the records, we have not been able to review the documents at the Site, some of which could conceivably be responsive to some of the information sought by the EPA in its request. The invitation to inspect records, however, should not be deemed as a waiver of any privilege that may apply to any of the files at the Site.

In order to answer the EPA's requests, Hanlin has asked one of its remaining employees in West Virginia, Don DeNoon,[1] to provide any information that may be responsive to this request. In addition, Karl DeVoe, a former employee and currently a contractor paid to provide limited services at the Site, was also contacted to answer this

request. Given the limited knowledge of these two individuals , the state of the records of the company, and the lack of manpower available to Hanlin, the company cannot categorically vouch for the accuracy of its responses or state that it has not overlooked some piece of information that the EPA may consider responsive in whole or in part to its Request or may cause Hanlin upon discovery of such information to supplement, modify or revise any of its responses herein. Accordingly, Hanlin reserves the right to supplement, modify and revise any of its responses to the Request set forth below.

Question # 1

a. The legal name of the company is Hanlin Group Inc. ("Hanlin")

b. The Vice-Chairman of the Board is James Mathis, 2714 South Southern Oaks Drive, Houston, Texas 77068; and the secretary/treasurer is Alan Margulies, 15 Exchange Place, Jersey City, New Jersey 07302. The company has been in bankruptcy since 1991 and currently has no manufacturing operations at any of its plants. Since April 1994, when its operating assets were sold, it has maintained a few employees for purposes of complying with bankruptcy reporting requirements and environmental monitoring. With one or two exceptions, the salaries of such employees are paid by Allied Signal. Christian Hansen, Hanlin's Chairman of the Board at the time of the bankruptcy filing; he was voted out of office in 1993 and was never replaced.

c. The state of incorporation of the company is Delaware. Agent for service in Delaware was Corporation Trust Company, Corporate Trust Center, 1209 Orange

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[1] Hamlin has several employees in West Virginia. The salaries of such employees, however, are all fully reimbursed by Allied Signal, which utilizes the employees to conduct cleanup operations at Hanlin's former Moundsville, West Virginia site.

Street, Wilmington, Delaware 19801. Agent for service in New Jersey is Alan Margulies [see address above], or McCarter & English, 100 Mulberry Street, Newark, New Jersey 07102-4096.

d. See attached copies of certificate of incorporation and amendments thereto.

e. As of the filing of the bankruptcy petition, there were three subsidiaries and no affiliates. LCP National Plastics, Inc. was reorganized pursuant to a Plan of Reorganization confirmed by the U.S. Bankruptcy Court in December 1993. The other two subsidiaries remain in bankruptcy: LCP Transportation, Inc. and Hanlin Chemicals West Virginia Inc. In addition, the company has operated under different legal names: Linden Chemicals and Plastics, LCP Chemicals. Ultimately, through a series of name changes, these were all consolidated into Hanlin Group Inc.

Question # 2

Hanlin has a RCRA, Hazardous and Solid Waste Amendments (HSWA) permit. Hanlin's EPA identification number is NJD079303020.

Question # 3

Hanlin owns the property. The property was purchased from General Aniline and Film Corporation (GAF) in 1972. See attached copy of the deed. All documentation related to the acquisition of the property in 1972 is in a bound volume which is available for review at McCarter & English's office in Newark.

Currently, Active Water Jet, Inc. is a month to month tenant at the site. There is no written lease.

Question # 4

Hanlin purchased a 26 acre chlorine production facility in Linden, New Jersey from General Aniline and Film corp. ("GAF") in 1972. GAF purchased the land from the U.S. Government in 1950, reclaimed the marshland and constructed the facility in the early 1950s.

In 1952, GAF began producing chlorine and sodium hydroxide using the mercury cell electrolytic process. Hanlin purchased the site in 1972, renovated the plant, and operated the mercury cell process until 1982. LCP produced chlorine, sodium hydroxide, hydrochloric acid and anhydrous HCL. In the early 1980s the plant was converted to produce potassium hydroxide and operated briefly before it permanently ceased production in August 1985.

The site then was used as a transfer terminal for products from other Hanlin facilities. The products included potassium hydroxide, sodium hydroxide, hydrochloric acid and methylene chloride which arrived in bulk by rail and truck and were transferred to above ground tanks and tank trucks.

From 1959 to 1990, a portion of the site west of Avenue D was leased to the Union Carbide Linde Division and was used for wholesale gas activities. In 1990, Ultra Pure Compressed Gasses, Inc. leased the site for the same operation. Building 231 was leased to Microcell Technologies in 1987. From 1974 to 1981, Kuehne Chemical manufactured sodium hypochlorite and chlorine in a leased area near Building 220. Caleb Bret Labs leased a portion of a laboratory and locker building north of Building 220 to store petroleum product samples, and a portion of the building was also leased to

Liquid Carbonic for office use. Land adjacent to the laboratory and locker building was leased to Liquid Carbonic for carbon dioxide transfer operations. Active Water Jet, a pipe cleaning company, is now the only company leasing space at the site, primarily for storage.

For several reasons, Hanlin is unable to provide additional information. As mentioned above, the company has been in bankruptcy since 1991 and retains none of the personnel who were at the Site while Hanlin conducted business operations. Hanlin has been liquidating its assets since 1994 and currently has few resources. It only retains a handful of employees (most of whom are paid by Allied), only one of whom works in New Jersey. In addition, its records are in total disarray. As the EPA may know from its visit to the plant, the cabinets that contained the company's records were removed from the site, leaving the documents behind exposed to the elements and completely unorganized.

Question # 5

See Answer to Question # 4 above.

The person in charge of operations at Linden was Christian Hansen, former CEO of the company.

Karl DeVoe was the manager at the Site when it was used as a transfer terminal, until early 1993. Currently, Mr. DeVoe is retained to monitor ground water stations in particular and the security of the plant in general. In this capacity, Mr. DeVoe goes to the site at least once per week. Other than Mr. DeVoe's monitoring, there are no longer any Hanlin activities at the site. Other than Mr. Margulies, Hanlin has no employees in New Jersey.

For information on how to contact Mr. Hansen and Mr. DeVoe see Question # 11.

Question # 6

Hanlin is not currently engaged in any business or any other "practice" at the Site. Hanlin was previously engaged in the manufacturing of chemicals and terminalling operations. Chemical products or materials purchased, used, and/or handled at the facility were regulated as hazardous substances by CERCLA.

a. As indicated, Hanlin generated, purchased, used, and/or handled chemicals from 1972 until 1985 while the plant was in production. From 1985 until early 1993, chemicals were handled while the facility was used as a transfer terminal.

b. Until 1985, chemicals were used to manufacture chlorine, sodium hydroxide, hydrochloric acid, anhydrous HCl and potassium hydroxide. After 1985 and until early 1993, chemicals products were handled at the Site while it was used as a transfer station. The products handled at the transfer station were methylene chloride, sodium hydroxide, potassium hydroxide and hydrochloric acid.

c. No information for the volume of chemicals used or generated is currently available. It is unclear whether any such information currently exists. The company files remaining are in total disarray at the Linden site. What records remain have been exposed to the elements and are completely disorganized.

Question # 7

See Question # 8 for some pre-1982 disposal methods. Prior to 1982, waste was also disposed off-site at approved facilities. After 1982, waste was stored in above

ground tanks and disposed off-site at EPA approved facilities. Currently, chemical samples are located on site on shelves in glass or plastic bottles or other small containers. Given the state of the records of the company, it is not possible to provide further information. Mr. Hansen may have more information in connection with this question.

Question # 8

Above ground tanks were used for storage. See attached information. Of the tanks listed in the attached inventory, the two tanks containing methylene chloride have been removed from the site. The tanks listed as having a capacity of 250,000 gals. each and containing potassium and sodium hydroxide respectively were emptied and cleaned. The tank listed as having a capacity of 500,000 gallons and containing sodium hydroxide is empty but still contains residues. The two stormwater tanks with a capacity of 50,000 gallons are still in use. The stormwater tank with a capacity of 60,000 gallons is out of service. The two wastewater treatments are out of service and empty. The emergency storage tank listed is still in use for storm waters.

There are no known underground tanks, except for septic systems.

There is a closed brine sludge lagoon. This lagoon received mercury-contaminated hazardous waste generated from the chlor-alkali operations. The lagoon was triangular in shape, contained about 30,000 cubic yards of waste, and covered 1.5 acres. The disposal of brine muds was terminated in March 1982. The plant's waste lines were flushed to the lagoon and closure began in 1984 after approval by the NJDEP. The contents of an adjacent lagoon, which contained wastes treated by experimental chemical fixation, were also transferred into the pond for closure. A closure of the pond with the waste material in-place was approved by NJDEP. The closure involved removal

of standing free liquids, regrading of dried lagoon materials, and compaction. No removal of wastes or lining of the lagoon walls or bottom was undertaken. The lagoon was graded and capped with two feet of clay and one foot of soil cover.

Question # 9.

As mentioned above, it is not possible to provide documents responsive to this question due to the status and abandonment of the company's files. The EPA has been on the site and has full access to any and all documents therein. Because the company has no employees in New Jersey other than Mr. Margulies, it is not able to review the documents that are strewn on the floor of the facility in no particular order.

Question # 10.

We are unaware of any releases at any time.

Question # 11

Given the fact that the company has no remaining employees in New Jersey other than Mr. Margulies and that its records are in total disarray, it is hard to identify persons that would have the knowledge of the facts required to answer the question. However, a person who probably has the required information is Christian Hansen, the former CEO of the company. Mr. Hansen can be contacted through his lawyer Vincent J. D'Elia, One Engle Street, Englewood, New Jersey 07631, telephone (201) 569-2613. Mr. Hansen remained with the company as CEO until April 1993. In addition to Mr. Hansen, another person who might have information relevant to this question is Karl DeVoe. Mr. DeVoe used to work at the Linden plant in a managerial capacity. As explained above, Mr. DeVoe is currently engaged to monitor the site. Mr. DeVoe's address is 41 South Robert

St., Sewaren, New Jersey 07077, and his phone number is (732) 636-4951. Mr. DeVoe did aid in responding to some of these questions.

Question # 12

As mentioned above, it is simply not possible to determine whether responsive documents still exist. Most files were abandoned and the remaining are in heaps at the Site. The company simply does not have the resources to determine whether any of the records strewn on the floor of one of the buildings of the Site are responsive. Any and all documents on Site are available for EPA inspection, subject to any applicable privilege.

Question # 13

When Hanlin purchased the property from GAF in 1972, it did so pursuant to a purchase/sale agreement, which contained language providing for indemnification for contamination under certain circumstances. A copy of the agreement is annexed hereto. The remaining closing documents are in a bound volume available for inspection at the offices of McCarter & English.

Question # 14

Hanlin had some general liability policies. The law firm of Dechert Price & Rhoads (Princeton office) had been retained to provide counseling regarding insurance coverage under Hanlin's policies for pollution. In 1994, Dechert Price had to cease its representation due to a conflict of interest that had arisen. Dechert Price asserts that it returned its files (including insurance policies) to the company. We have, however, been unable to locate the insurance policies returned by Dechert Price and, accordingly, Hanlin has been unable to locate any insurance policies that are responsive to this question.

Question # 15

a. Hanlin Group Inc., LCP Transportation, Inc., and Hanlin Chemical West Virginia, Inc. filed for bankruptcy in July 10, 1991.

b. The bankruptcy petition was filed under Chapter 11 of the Bankruptcy Code.

c. The petition was filed in U.S. Bankruptcy Court in Trenton, New Jersey.

d. No trustee has been appointed, largely because of the significant overlay of administrative cost that would necessarily be incurred. The debtor remains in possession but is administratively insolvent and unable to pay for current services (including legal). Robert J. Schneider, Esq. of the U.S. Trustee's Office, One Newark Center, Suite 2100, Newark, New Jersey 07102, is assigned to this case.

e. The case is still pending while the Debtor resolves the few remaining disputed claims and liquidates all its assets.

f. The Debtor is administratively insolvent. Hanlin has been liquidating its assets since 1994, when it sold its operating assets and ceased operations. Other than Alan Margulies, the former CPA, there are no employees working for the company in New Jersey. The EPA filed an administrative claim against the estate for the cleanup of the Linden site. The claim was settled by an Order entered on April 27, 1998. A copy of the Order is attached.

Question # 16

Hanlin Group Inc. has no further information on other possible sources who might have disposed of hazardous substances, wastes and/or CERCLA waste material at the

Linden Site. Christian Hansen, the former CEO of the company, may have information relevant to this question.

Question # 17

See Question # 4 above.

Question # 18

Alan Margulies, [for address see Question # 1]. Phone # (201) 333-0666. Mr. Margulies does not have personal knowledge of the answers provided.

Question # 19

Don DeNoon provided information for answers to Questions # 2; 4; 5; 6; 7 and 8. [address: Hanlin Chemicals-West Virginia, P.O. Box J, Moundsville, WV 26041; Phone # (304)843-1310]

Karl DeVoe provided information for answers to Question # 2; 4; 5; 6; 7; 8 and 10 [for address see Question #11].

## CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of New Jersey

County of Hudson

I certify under penalty of law that I have personally examined and am familiar with the Information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true and accurate, and complete given the limitations stated in the opening paragraphs of the Hanlin Group's response submitted herewith, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Alan C Margulies
NAME

Treasurer
TITLE

SIGNATURE

Sworn to before me this
1st day of June, 1998

Marie A. Fisher
Notary Public

NWK2: 414537.01

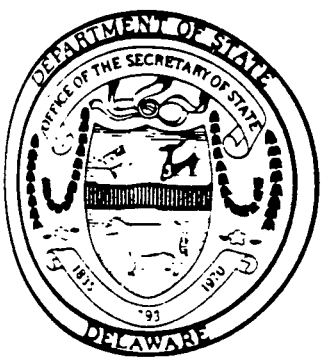
MARIE A. FISHER
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 8/2/2002

**ATTACHMENT TO QUESTION # 1**

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF LCP CHEMICALS & PLASTICS, INC. FILED IN THIS OFFICE ON THE FIFTH DAY OF JANUARY, A.D. 1988, AT 10 O'CLOCK A.M.




729264044

Michael Harkins, Secretary of State

AUTHENTICATION: 2345564

DATE: 09/21/1989

11/5/55

# CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION OF LCP CHEMICALS & PLASTICS, INC.

LCP Chemicals & Plastics, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: That at a meeting of the Board of Directors of LCP Chemicals & Plastics, Inc., resolutions were duly adopted setting forth a proposed Amendment to the Restated Certificate of Incorporation of said Corporation, declaring the said Amendment to be advisable and directing that the proposed Amendment be submitted to the shareholders of said Corporation for consideration thereof. The resolutions setting forth the proposed Amendment are as follows:

> RESOLVED, that the Restated Certificate of Incorporation of the Corporation be amended by changing the Article numbered "1", so that, as amended, said Article shall read as follows:
>
> **"The name of the Corporation is HANLIN GROUP, INC."**
>
> FURTHER RESOLVED, that the above proposed Amendment be submitted to the stockholders for their approval as required by law.
>
> FURTHER RESOLVED, that upon approval of the above proposed Amendment by the stockholders of the Corporation, the proper officers of this Corporation be and they are hereby authorized and directed to file the necessary Certificate effecting said Amendment with the Secretary of State of the State of Delaware and to cause a copy thereof, certified by said Secretary of State, to be recorded with the Recorder of Deeds of New Castle County, Delaware, and also to file the necessary documents if any, concerning said

Amendment with the appropriate filing officers in all jurisdictions where the Corporation has heretofore qualified to do business as a foreign corporation.

SECOND: In lieu of a meeting and vote of stockholders, stockholders owning not less than a majority of the outstanding capital stock entitled to vote have given written consent to said Amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware, and written notice of the adoption of the Amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That said Amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said Corporation shall not be reduced by reason of the said Amendment.

IN WITNESS WHEREOF, LCP Chemicals & Plastics, Inc. has caused its corporate seal to be hereunto affixed and this Certificate to be signed by its Chairman of the Board and attested by its Secretary, this 22 day of December, 1987.

LCP CHEMICALS & PLASTICS, INC.

ATTEST:

By: _____

John Kandravy, Secretary

C. A. Hansen, Jr.
Chairman of the Board

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF HANLIN GROUP, INC. FILED IN THIS OFFICE ON THE SIXTH DAY OF OCTOBER, A.D. 1989, AT 12 O'CLOCK P.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 12364958

DATE: 10/06/[illegible]

2392279021

# CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION OF HANLIN GROUP, INC.

Hanlin Group, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify:

FIRST: That the Board of Directors of the Corporation at a meeting held on October 3, 1989, unanimously adopted resolutions proposing and declaring advisable the following amendment to the Restated Certificate of Incorporation of the Corporation:

> **RESOLVED**, that (subject to shareholder approval as required by law) the Restated Certificate of Incorporation of the Corporation be amended by deleting Article 4 therefrom and substituting in lieu thereof a new Article 4 to read in its entirety as set forth in Exhibit A hereto.
>
> **FURTHER RESOLVED**, that such Amendment is advisable and that the same be submitted to the shareholders for their consent as required by law.
>
> **FURTHER RESOLVED**, that the proper officers of this Corporation, if the necessary number of shareholders approve as required by law, be, and they hereby are, authorized and directed to file the necessary Certificate of Amendment effecting said Amendment with the Secretary of State of Delaware and to cause a copy thereof certified by said Secretary of State to be recorded in the office of the Recorder of New Castle County, Delaware, and also to file the necessary documents, if any, concerning said Amendment with the appropriate filing officers in all jurisdictions where the Corporation has heretofore qualified to do business as a foreign corporation.

**SECOND:** That in lieu of a meeting and vote of stockholders the stockholders have given written consent to said Amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware, and written notice of the adoption of the Amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

**THIRD:** That the aforesaid Amendment was duly adopted in accordance with the applicable provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be hereunto affixed and this Certificate to be signed by its President and attested by its Secretary, this 5th day of October, 1989.

ATTEST:

John Kandravy, Secretary

HANLIN GROUP, INC.

By: C. A. Hansen, Jr., President

EXHIBIT A

Class A Common

4. The total number of shares which the Corporation shall have authority to issue is (a) six million (6,000,000) shares of Common Stock with no par value per share ("Common Stock"), (b) three hundred and fifty (350) shares of Class A Common Stock with no par value per share ("Class A Common Stock") and (c) one million (1,000,000) shares of Preferred Stock with a par value of ten cents ($.10) per share ("Preferred Stock"). The Common Stock and the Class A Common Stock shall hereinafter be referred to collectively as "Corporation Common Stock."

Shares of the authorized capital stock may be issued from time to time for such consideration, not less than the par value thereof in the case of stock with par value, as may be determined from time to time by the Board of Directors.

Except as herein otherwise expressly provided, all shares of Common Stock and Class A Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

When and as dividends are declared thereon, whether payable in cash, in properties or in securities of the Corporation, the holders of shares of Class A Common Stock shall be entitled to receive such dividends which such holders would have been entitled if the shares of Class A Common Stock had at the time such dividends were declared been fully converted into shares of Common Stock and shall be entitled to share equally in such dividends with the holders of Common Stock, except that if dividends are declared which are payable in shares of Common Stock or Class A Common Stock, the holders of shares of Common Stock shall be entitled to receive dividends payable only in shares of Common Stock and holders of shares of Class A Common Stock shall be entitled to receive dividends payable in shares of Class A Common Stock in such number of shares of Class A Common Stock that are convertible into that number of shares of Common Stock which the holders of shares of Class A Common Stock would have been entitled to if the shares of Class A Common Stock had at the time such dividends were declared been fully converted into shares of Common Stock.

Subject to and upon compliance with the provisions of this Article 4, each recordholder of Class A Common Stock except as hereinafter provided shall be entitled at any time and from time to time to convert each share of Class A Common Stock held by such holder into that number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock equal to the Adjusted Conversion Percentage (as such term is hereinafter defined) on the date of such conversion multiplied by the aggregate number of the Fully Diluted Outstanding (as such term is hereinafter defined) shares of Corporation Common Stock on the date of such conversion, except that The Prudential Insurance Company of America ("Prudential") (but not including any of its transferees) shall not be entitled to convert its shares of Class A Common Stock into shares of Common Stock other than upon of the effectiveness of any registration under the Securities Act of 1933, as then in effect, or any successor federal statute then in force, in which such shares of Common Stock are included. The term "Fully Diluted Outstanding" shall mean, when used with reference to Corporation Common Stock at any time as of which the number of shares thereof is to be determined, that the number of such shares of Corporation Common Stock outstanding shall be deemed to equal (A) the sum of, without duplication, (i) all shares of outstanding Corporation Common Stock, (ii) all shares of Corporation Common Stock issuable in respect of all outstanding Options or Convertible Securities (as such terms are hereinafter defined) of the Corporation and such Options and Convertible Securities shall be treated as fully converted or exercised into, shares of Common Stock) regardless, in each case, of any exercise price thereof or whether such right is presently exercisable, (iii) the number of shares of Corporation Common Stock equivalent to the participating interest in the equity value or earnings potential of the Corporation under all outstanding Participating Securities (as such term is hereinafter defined) of the Corporation, (iv) all Contingent Shares (as such term is hereinafter defined) of Corporation Common Stock and shares of Corporation Common Stock issuable pursuant to similar contractual obligations of the Corporation, and (v) all shares of Corporation Common Stock issuable in respect of all other outstanding equity securities, in each case whether dilutive or anti-dilutive, provided, that the calculations pursuant to this clause (A) shall exclude shares of Corporation Common Stock issuable upon conversion of the Class A Common Stock that is outstanding or that is issuable upon exercise of the warrant of the Corporation that was originally issued to Midlantic National Bank on or about October 6, 1989 and that was initially exercisable for 21 shares of Class A Common Stock (the "Midlantic Warrant") (the number of shares of Corporation Common Stock resulting from the calculation pursuant

to this clause (A) being herein the "Clause A Amount"), plus (B) the number obtained by subtracting (1) the quotient obtained by dividing (x) the Clause A Amount by (y) the number obtained by subtracting (i) the number one minus(ii) the Total Conversion Percentage (expressed in decimal form) minus (2) the Clause A Amount. "Total Conversion Percentage" equals the product obtained by multiplying the Adjusted Conversion Percentage times the sum of the number of outstanding shares of Class A Common Stock and the number of shares of Class A Common Stock for which the Midlantic Warrant is exercisable. If any security referred to in categories (i) through (v) above falls into more than one such category, the number of shares of Corporation Common Stock in respect of such security to be included in the determination of Fully Diluted Outstanding shall be given effect in no more than one such category. If the shares of a class or series of Corporation Common Stock shall be convertible into more than one share of another class or series of Corporation Common Stock (whether such shares are convertible individually or in units of more than one share), the determination of Fully Diluted Outstanding shall be made by assuming the conversion of all such shares.

The term "Contingent Shares" shall mean such shares of capital stock of the Corporation as are issuable pursuant to Options, Convertible Securities, existing agreements or plans upon the occurrence of a future event or with the lapse of time and, with respect to the Corporation, including, without limitation, the maximum number of shares of Corporation Common Stock issuable under the Corporation's 1989 Stock Award Plan. The term "Convertible Securities" shall mean evidences of indebtedness, shares of stock or other securities which are directly or indirectly convertible into or exchangeable, with or without payment of additional consideration in cash or property, for shares of Corporation Common Stock, either immediately or upon the occurrence of a specified date or event. The term "Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Corporation Common Stock or Convertible Securities of the Corporation. The term "Participating Securities" shall mean securities or contractual obligations of the Corporation, including, without limitation, stock appreciation rights and warrant appreciation rights, which entitle the holder or beneficiary thereof to share in the equity value or earnings potential of the Corporation, whether the share of such value or potential is an agreed upon amount or is determined by an actual transaction, an appraisal or a formula taking account of net worth, cash flow, revenues, earnings or some other balance sheet or income statement or cash flow measure, or any combination of any of the foregoing, irrespective of whether such holder has the

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF LCP CHEMICALS & PLASTICS, INC. FILED IN THIS OFFICE ON THE SECOND DAY OF MARCH, A.D. 1987, AT 10 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 2345561

DATE: 09/21/1989

729264043

3/2/87

CERTIFICATE OF AMENDMENT OF RESTATED
CERTIFICATE OF INCORPORATION
OF
LCP CHEMICALS & PLASTICS, INC.

LCP Chemicals & Plastics, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

First: That at a meeting of the Board of Directors of LCP Chemicals & Plastics, Inc., resolutions were duly adopted setting forth proposed amendments to the Restated Certificate of Incorporation of said Corporation, declaring said amendments to be advisable and directing that the proposed amendments be submitted to the shareholders of said Corporation for consideration thereof. The resolutions setting forth the proposed amendments are as follows:

> RESOLVED, that the Restated Certificate of Incorporation of the Corporation be amended by adding thereto a new Article 10 to read as follows:
>
> "No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision shall not be deemed to eliminate or limit the personal liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit."
>
> FURTHER RESOLVED, that the Restated Certificate of Incorporation of the Corporation be amended by adding thereto a new Article 11 to read as follows:

"Each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said Law permitted the Corporation to provide prior to such amendment), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such person in connection therewith; provided, however, that the Corporation shall indemnify any such person seeking indemnity in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred herein shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such Proceeding in advance of its final disposition; provided, however, that if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an em-

ployee benefit plan) in advance of the final disposition of such Proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Article or otherwise.

The rights conferred on any person by this Article shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-laws, agreement, vote of stockholders or disinterested directors, or otherwise.

The Corporation may maintain insurance, at its expense, to protect itself and any such director or officer of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law."

FURTHER RESOLVED, that the above proposed amendments be submitted to the stockholders for their approval as required by law.

FURTHER RESOLVED, that upon approval of the above proposed amendments by the stockholders of the Corporation, the proper officers of this Corporation be and they are hereby authorized and directed to file the necessary Certificate effecting said Amendments with the Secretary of State of the State of Delaware and to cause a copy thereof, certified by said Secretary of State, to be recorded with the Recorder of Deeds of New Castle County, Delaware, and also to file the necessary documents, if any, concerning said Amendments with the appropriate filing officers in all jurisdictions where the Corporation has heretofore qualified to do business as a

SECOND: In lieu of a meeting and vote of stockholders, stockholders owning not less than a majority of the outstanding capital stock entitled to vote have given written consent to said Amendments in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware, and written notice of the adoption of the Amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That said amendments were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said Corporation shall not be reduced by reason of said amendments.

IN WITNESS WHEREOF, LCP Chemicals & Plastics, Inc. has caused its corporate seal to be hereunto affixed and this Certificate to be signed by its Chairman of the Board, and attested by its Secretary, this 24th day of February, 1987.

ATTEST:

John Kandravy, Secretary

LCP CHEMICALS & PLASTICS, INC.

By: C.A. Hansen

C.A. Hansen, Jr.,
Chairman of the Board

[SEAL]

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CHANGE OF LOCATION OF REGISTERED OFFICE OF THE COMPANIES REPRESENTED BY "THE CORPORATION TRUST COMPANY", AS IT APPLIES TO "LCP CHEMICALS & PLASTICS, INC." AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-SEVENTH DAY OF JULY, A.D. 1984, AT 4:30 O'CLOCK P.M.


729264042

Michael Harkins, Secretary of State

AUTHENTICATION: 2345558

DATE: 09/21/1989

FILED
4:30
JUL 27 1984 P.M.

CERTIFICATE OF CHANGE OF ADDRESS OF

REGISTERED OFFICE AND OF REGISTERED AGENT

PURSUANT TO SECTION 134 OF TITLE 8 OF THE DELAWARE CODE

To: DEPARTMENT OF STATE
Division of Corporations
Townsend Building
Federal Street
Dover, Delaware 19903

Pursuant to the provisions of Section 134 of Title 8 of the Delaware Code, the undersigned Agent for service of process, in order to change the address of the registered office of the corporations for which it is registered agent, hereby certifies that:

1. The name of the agent is: The Corporation Trust Company

2. The address of the old registered office was:

100 West Tenth Street
Wilmington, Delaware 19801

3. The address to which the registered office is to be changed is:

Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

The new address will be effective on July 30, 1984.

4. The names of the corporations represented by said agent are set forth on the list annexed to this certificate and made a part hereof by reference.

IN WITNESS WHEREOF, said agent has caused this certificate to be signed on its behalf by its Vice-President and Assistant Secretary this 25th day of July, 1984.

THE CORPORATION TRUST COMPANY
(Name of Registered Agent)

By Virginia Cobrell
(Vice-President)

ATTEST:

STATE OF DELAWARE - DIVISION OF CORPORATIONS

CHANGE OF ADDRESS FILING FOR

CORPORATION TRUST AS OF JULY 27,1984

DOMESTIC

0777140 LCP CHEMICALS & PLASTICS, INC. 12/13/1971 D DE

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF RESTATED CERTIFICATE OF INCORPORATION OF LCP CHEMICALS & PLASTICS, INC. FILED IN THIS OFFICE ON THE FOURTH DAY OF JUNE, A.D. 1984, AT 10:01 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 2345553

DATE: 09/21/1989

729264042

RESTATED CERTIFICATE OF INCORPORATION

OF

LCP CHEMICALS & PLASTICS, INC.

The undersigned, having filed its original Certificate of Incorporation, under the name of Linden Chlorine Products, Inc., with the Secretary of State of the State of Delaware on December 13, 1971, thereby forming a corporation under and pursuant to the provisions of the General Corporation Law of the State of Delaware, does hereby restate its Certificate of Incorporation and certify as follows:

1. The Name of the Corporation is LCP Chemicals & Plastics, Inc.

2. The address of its registered office in the State of Delaware is No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. The nature of the business or purposes to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

To manufacture, purchase or otherwise acquire, invest in, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with goods, wares and merchandise and personal property of every class and description.

To acquire, and pay for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trade-marks and trade names, relating to or useful in connection with any business of this corporation.

To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds, debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporations, joint stock companies, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To borrow or raise moneys for any of the purposes of the corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of the corporation's property and assets, or any interest therein wherever situated.

In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of Delaware or by any other law of Delaware or by this certificate of incorporation together with any powers incidental thereto, so far as such powers and privileges are necessary.

4. The total number of shares which the Corporation shall have authority to issue is (a) four million (4,000,000) shares of Common Stock with a par value of ten cents ($.10) per share ("Common Stock"), (b) seven hundred thousand (700,000) shares of Class B Common Stock with a par value of ten cents ($.10) per share ("Class B Common Stock")

and (c) one million (1,000,000) shares of Preferred Stock with a par value of ten cents ($.10) per share ("Preferred Stock").

Shares of the authorized capital stock may be issued from time to time for such consideration, not less than the par value thereof in the case of stock with par value, as may be fixed from time to time by the Board of Directors.

Except as herein otherwise expressly provided all shares of Common Stock, Non-Voting Common Stock and Class B Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

When and as dividends are declared thereon, whether payable in cash, in property or in securities of the Corporation, the holders of Common Stock, Non-Voting Common Stock and Class B Common Stock shall be entitled to share equally, share for share, in such dividends, except that if dividends are declared which are payable in shares of Common Stock, Non-Voting Common Stock or Class B Common Stock, dividends shall be declared which are payable at the same rate on each class of stock and the dividends payable in shares of Common Stock shall be payable to holders of that class of stock, the dividends payable in shares of Non-Voting Common Stock shall be payable to holders of that class of stock and the dividends payable in shares of Class B Common Stock shall be payable to holders of that class of stock.

Subject to and upon compliance with the provisions of this Article 4, each record holder of Class B Common Stock (other than The Prudential Insurance Company of America) shall be entitled at any time and from time to time to convert each share of Class B Common Stock held by such holder into one share of Common Stock.

Each conversion of shares of Class B Common Stock into Common Stock shall be effected by the surrender of the certificate or certificates representing shares of Class B Common Stock to be converted at the principal office of the Corporation (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holder or holders of the Class B Common Stock) at any time during its usual business hours, together with written notice by the holder of such Class B Common Stock stating that such holder desires to convert the shares, or a stated number of the shares, of Class B Common Stock represented by such certificate or certificates into Common Stock, which notice shall also state the name or names (with addresses) and denominations in which the certificate or certificates for Common Stock shall be issued and shall include instructions for delivery thereof. Promptly after such surrender

and the receipt of such written notice, the Corporation shall issue and deliver in accordance with such instructions the certificate or certificates for the Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected as of the close of business on the date on which such time the rights of the holder of such Class B Common Stock (or specified portion thereof) as such holder shall cease and the person or persons in whose name or names the certificate or certificates for shares of Common Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

If the Corporation shall in any manner subdivide or combine the outstanding shares of the Common Stock, the Non-Voting Common Stock or the Class B Common Stock, the outstanding shares of the other class shall be proportionately subdivided or combined.

Shares of Class B Common Stock which are converted into shares of Common Stock as provided herein shall not be reissued.

The Corporation will at all times reserve and keep available out of its authorized but unissued shares of Common Stock or its treasury shares, solely for the purpose of issue upon the conversion of the Class B Common Stock as provided in this Article 4, such number of shares of Common Stock as shall then be issuable upon the conversion of the then outstanding shares of Class B Common Stock (whether or not such shares are held by The Prudential Insurance Company of America). The Corporation covenants that all shares of Common Stock which shall be so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges. The Corporation will take all such action as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or regulation or any requirements of any domestic stock exchange upon which shares of Common Stock may be listed.

If any shares of Common Stock required to be reserved for purposes of conversion of the Class B Common Stock hereunder require registration or approval of any governmental authority under any Federal or state law (other than any registration under the Securities Act of 1933, as then in effect, or any similar Federal statute then in force, or any state securities law, required by reason of any transfer involved in such conversion), or listing on any domestic securities exchange, before such shares may be issued upon conversion, the Corporation shall, at its expense and as expeditiously as possible, use its best efforts to cause such shares to be duly registered or approved for

listing or listed on such domestic securities exchange, as the case may be.

The issuance of certificates for shares of Common Stock upon conversion of shares of Class B Common Stock shall be made without charge to holders of such shares of Class B Common Stock for any issuance tax in respect thereof, or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock; provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the Class B Common Stock converted.

The Company will not close its books against the transfer of any shares of Class B Common Stock.

The Corporation shall keep at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of shares of Common Stock, Non-Voting Common Stock or Class B Common Stock. Upon the surrender of any certificate representing shares of Common Stock, Non-Voting Common Stock or Class B Common Stock at such place, the Corporation shall, at the request of the registered holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares of such class represented by the surrendered certificate (and the Corporation forthwith shall cancel such surrendered certificate), subject to the requirements of applicable securities laws. Each such new certificate shall be registered in such name and shall represent such number of shares of such class as shall be requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate.

Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder, without bond, shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of Common Stock, Non-Voting Common Stock or Class B Common Stock and, in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is an institutional investor, its own agreement of indemnity shall be satisfactory) or, in the case of any such mutilation, upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated

certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

The term "outstanding" when used in this Article 4 with reference to the shares of Common Stock, Non-Voting Common Stock or Class B Common Stock as of any particular time shall not include any such shares represented by any certificate in lieu of which a new certificate has been executed and delivered by the Corporation in accordance with this Article 4 but shall include only those shares represented by such new certificate.

Except as otherwise provided by law, the holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the stockholders of the Corporation, the holders of Non-Voting Common Stock and Class B Common Stock shall have no right to vote on any matters to be voted on by the stockholders of the Corporation (including without limitation, any election or removal of the directors of the Corporation) and the Non-Voting Common Stock and Class B Common Stock shall not be included in determining the number of shares voting or entitled to vote on such matters; provided that the holders of Class B Common Stock shall be included in determining the number of shares voting or entitled to vote on, and shall be entitled to one vote per share on, any consolidation or merger of the Corporation with or into any other corporation or corporations, any sale of all or substantially all of the Corporation's assets, any liquidation, dissolution or winding-up of the Corporation, and any amendment to the Certificate of Incorporation or By-Laws of the Corporation to be voted on by the stockholders of the Corporation; and provided further that no amendment, modification or waiver of any provision of this subdivision (or the number of shares required to approve such amendment, modification or waiver) shall be effective without the prior written consent of the holders of at least 90% of the Class B Common Stock outstanding at the time such change shall be made.

The Board of Directors is authorized, by resolutions duly adopted and filed as amendments to this Certificate of Incorporation, at any time and from time to time, to divide, and to cause the issuance of, the Preferred Stock in one or more series and to determine the designation of each series and the relative voting, dividend, liquidation, and other rights, preferences, and limitations of the shares of each series, including (but without limiting the generality of the foregoing) the following:

(1) The designation of such series;

(2) The number of shares constituting such series;

(3) The rate and times at which, and the terms and conditions on which, dividends on shares of such series will be paid, and the status of such dividends as cumulative or noncumulative and as participating or non-participating;

(4) The right, if any, of the holders of shares of such series to convert the same into, or exchange the same for, shares of other classes or series of stock of the Corporation and the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion price or rate in such events as the Board of Directors shall determine;

(5) The redemption price or prices and the time or times, at which, and the terms and conditions on which, shares of such series may be redeemed;

(6) The rights of the holders of shares of such series upon the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation;

(7) The terms or amount of any sinking fund provided for the purchase or redemption of the shares of such series; and

(8) The voting rights of the holders of shares of such series, including whether such series shall have no voting rights, or multiple, full, limited or special voting rights.

Before any dividends shall be paid on the Common Stock, Non-Voting Common Stock or Class B Common Stock, shares of Preferred Stock of any series shall be entitled to receive dividends at the rate, if any, established for such series. Before any distribution is made with respect to the Common Stock, Non-Voting Common Stock or Class B Common Stock upon dissolution, liquidation, or winding-up of the affairs of the Corporation, shares of Preferred Stock of any series shall be entitled to receive the amount, if any, payable upon dissolution, liquidation, or winding-up of the affairs of the Corporation established for such series. All shares of any one series of Preferred Stock shall be alike in every particular except that, in the case of a series entitled to cumulative dividends, shares issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

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PREFERRED STOCK DESIGNATED AS
"SERIES C PREFERRED STOCK"

1. Designation. One hundred fifty-one thousand seven hundred forty-nine (151,749) shares of the Preferred Stock of the Corporation shall constitute a series of Preferred Stock designated as "Series C Preferred Stock" (hereinafter called the "Series C Preferred Stock").

2. Dividends. In each year the holders of shares of Series C Preferred Stock shall be entitled to receive, before any dividends shall be paid or set aside for the Common Stock in such year, when and as declared by the Board of Directors of the Corporation and (if Manufacturers Hanover Trust Company is then a lender to the Corporation) consented to by Manufacturers Hanover Trust Company, which consent shall not be unreasonably withheld, out of funds legally available for that purpose, dividends at the rate of $1.80 per annum, and no more, payable quarterly on the first days of June, September, December and March in each year (each such day being hereinafter called a "Dividend Date" and each quarterly period ending with a dividend date being hereinafter called a "Dividend Period"), commencing September 1, 1981; and such dividends upon the Series C Preferred Stock shall be cumulative (whether or not in any Dividend Period or Periods there shall be funds of the Corporation legally available for the payment of such dividends), so that, if at any time dividends upon the outstanding Series C Preferred Stock from May 1, 1981 to the end of the then current Dividend Period shall not have been paid or declared and a sum sufficient for the payment thereof set apart for such payment, the amount of the deficiency shall be fully paid, but without interest, or dividends in such amount declared and a sum sufficient for the payment thereof set apart for such payment, before any sum or sums shall be set aside for the redemption of Series C Preferred Stock and before any dividend shall be declared or paid upon or set apart for, or any other distribution shall be ordered or made in respect of, or any payment shall be made on account of the purchase of the Common Stock. "Common Stock", as used herein, shall include Corporation's Voting Common Stock and Class B Common Stock.

3. Rights on Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of any stock ranking on liquidation junior to the Series C Preferred Stock (with respect to rights on liquida-

tion, dissolution or winding up, the Series C Preferred Stock shall rank prior to the Common Stock) an amount equal to $30.00 per share. If upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amounts to which they respectively shall be entitled, the holders of shares of Series C Preferred Stock and any class of Stock ranking on liquidation on a parity with the Series C Preferred Stock shall share ratably in any distribution of assets according to the respective amounts which would be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full. In the event of any liquidation, dissolution or winding up of the Corporation after payment shall have been made to the holders of shares of Series C Preferred Stock and any class of stock ranking on liquidation on a parity with the Series C Preferred Stock of the full amount to which they shall be entitled as aforesaid, the holders of any class or classes of stock ranking on liquidation junior to the Series C Preferred Stock shall be entitled, to the exclusion of the holders of shares of Series C Preferred Stock, to share, according to their respective rights and preferences, in all remaining assets of the Corporation available for distribution to its stockholders. The merger or consolidation of the Corporation into or with another corporation, the merger or consolidation of any other corporation into or with the Corporation, or the sale, transfer, mortgage, pledge or lease of all or substantially all the assets of the Corporation shall not be deemed to be a liquidation, dissolution or winding up of the Corporation.

4. Non-Voting. The holders of shares of Series C Preferred Stock shall not possess any voting rights or powers.

5. Redemption. (a) So long as any shares of Series C Preferred Stock are outstanding, the Corporation may, at the option of its Board of Directors, at any time or from time to time, redeem the whole or any part of such Series C Preferred Stock. Any redemption pursuant to this paragraph (a) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed. If less than all the shares of Series C Preferred Stock at any time outstanding shall be called for redemption pursuant to this paragraph (a) of this Section 5, the redemption shall be made pro rata with respect to such shares among the holders thereof. The total sum so payable per share on any such redemption is herein referred to as the "Redemption Price", and the date of redemption is herein referred to as the "Redemption Date".

(b) In addition to redemption pursuant to paragarph (a) of this Section 5, the Corporation shall within four months after the end of each fiscal year use an amount (to the nearest $1,000) equal to 25% (or, if dividends on the Series C Preferred Stock are not then current, 30%) of the Net Cash Flow of the Corporation for such fiscal year first to bring any dividends on the Series C Preferred Stock which are then in arrears current and then to redeem such number of shares of Series C Preferred Stock as is possible. As used in this paragraph (b), the term "Net Cash Flow" for any fiscal year shall mean the excess, if any, of (i) the consolidated net income after taxes of the Corporation and its subsidiaries for such fiscal year as determined from the audited financial statements of the Corporation and its subsidiaries plus the amount of depreciation deducted by the Corporation and its subsidiaries in determining its consolidated net income for such fiscal year over (ii) the sum of (1) the aggregate amount of payments made by the Corporation and its subsidiaries during such fiscal year on account of the principal of its long-term indebtedness, which indebtedness was outstanding on May 1, 1981, and also on account of the principal of the $7,000,000 loan to be made by Manufacturers Hanover Trust Company in connection with the repurchase by the Corporation of certain shares of its capital stock from Sprout Capital Group II, The Franklin Corporation and J. Henry Schroder Corporation and (2) the aggregate amount of capital expenditures made by the Corporation and its subsidiaries during such fiscal year. Corporation's calculation with respect to "Net Cash Flow" shall be delivered to Sprout Capital Group II, The Franklin Corporation and J. Henry Schroder Corporation within such four months after the end of each fiscal year. Any redemption pursuant to this paragraph (b) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed. If less than all of the shares of Series C Preferred Stock at any time outstanding shall be called for redemption pursuant to this paragraph (b) of this Section 5, the redemption shall be made pro rata with respect to such shares among the holders thereof.

(c) In addition to the redemption pursuant to paragraph (a) or paragraph (b) of this Section 5, the Corporation shall redeem all of the Series C Preferred Stock at or prior to the closing of any of the following transactions unless prior thereto the Corporation has received the written consent of Sprout Capital Group II: the merger or consolidation of the Corporation with or into another corporation; the sale of all or substantially all of the assets of the Corporation; or the public offering of any of the shares of the Corporation's Capital Stock by the Corporation or by any shareholders holding more than 10 percent in the aggregate of any class of the Corporation's Capital Stock. The

redemption pursuant to this paragraph (c) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed.

(d) In addition to the redemption pursuant to paragraph (a) or paragraph (b) or paragraph (c) of this Section 5, the Corporation shall on April 30, 1988, redeem all shares of Series C Preferred Stock outstanding as of April 30, 1988. The redemption pursuant to this paragraph (d) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed.

(e) Notice of every redemption pursuant to this Section 5 shall be sent by first-class mail, postage prepaid, to the holders of record of the shares of Series C Preferred Stock so to be redeemed at their respective addresses as the same shall appear on the books of the Corporation. Such notice shall be mailed not less than 10 days in advance of the Redemption Date to the holders of record of shares so to be redeemed. On and after the Redemption Date, unless default shall be made by the Corporation in providing monies for the payment of the Redemption Price, all rights of the holders of shares of Series C Preferred Stock to be redeemed as stockholders of the Corporation, except the right to receive the Redemption Price, shall cease and terminate. At any time on or after the Redemption Date, the holders of record of shares of Series C Preferred Stock to be redeemed shall be entitled to receive the Redemption Price upon actual delivery to the Corporation of certificates for the shares to be redeemed, such certificates, if required by the Corporation, to be properly stamped for transfer and duly endorsed in blank or accompanied by proper instruments of assignment and transfer thereof duly executed in blank. Any monies deposited with the transfer agent, or other redemption agent, for the redemption of any shares of Series C Preferred Stock which shall not be claimed after six years from the Redemption Date, shall be repaid to the Corporation by such agent on demand, and the holder of any such shares of Series C Preferred Stock shall thereafter look only to the Corporation for any payment to which such holder may be entitled.

(f) So long as any shares of Series C Preferred Stock are outstanding, the Corporation shall not create any class of its Preferred Stock with liquidation or dividend rights on a parity with or senior to the Series C Preferred Stock, except with the written consent of Sprout Capital Group II.

6. Financial Statements. The Corporation covenants that, so long as any of the shares of Class C Preferred Stock are outstanding, it will deliver to each of the holders thereof:

(a) as soon as practicable and in any event within 45 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidating and consolidated statements of earnings, retained earnings and changes in financial position of the Corporation and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and, a consolidating and consolidated balance sheet of the Corporation and its Subsidiaries as at the end of such quarterly period, all in reasonable detail and certified by an authorized financial officer of the Corporation, subject to changes resulting from year-end adjustments;

(b) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidating and consolidated statements of earnings, retained earnings and changes in financial position of the Corporation and its Subsidiaries for such year, and a consolidating and consolidated balance sheet of the Corporation and its Subsidiaries as at the end of such year, setting forth in each case in comparative form the corresponding figures from the preceding annual audit, all in reasonable detail and reported upon by independent public accountants of recognized standing selected by the Corporation; and

(c) as soon as practicable, copies of all such financial statements and reports as the Corporation shall send to its shareholders and of all registration statements and all regular or periodic reports which it files with the Securities and Exchange Commission or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission.

(d) Each holder of shares of Series C Preferred Stock of the Corporation agrees that such holder shall use all reasonable precautions to maintain all of the foregoing financial information relating to the Corporation and its subsidiaries in confidence and not to disclose the same to any third party.

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5. The Corporation is to have perpetual existence.

6. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To make, alter or repeal the By-Laws of the Corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation.

To set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

By a majority of the whole Board, to designate one or more Committees, each Committee to consist of one or more of the Directors of the Corporation. The Board may designate one or more Directors as alternate members of any Committee, who may replace any absent or disqualified member at any meeting of the Committee. The By-Laws may provide that in the absence or disqualification of a member of the Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such Committee, to the extent provided in the resolution of the Board of Directors, or in the By-Laws of the Corporation, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such Committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the By-Laws of the Corporation; and, unless the resolution or By-Laws expressly so provide, no such Committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

When and as authorized by the stockholders in accordance with statute, to sell, lease or exchange all or substantially all of the property and assets of the Corporation, including its good will and its corporate franchises, upon such terms and conditions and for such consideration,

which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of the Corporation.

7. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

8. Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the corporation. Elections of Directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

9. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

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This restated Certificate of Incorporation was duly adopted by the directors of the Corporation in accord-

ance with the provisions of Section 245 of the General Corporation Law of the State of Delaware. It only restates and integrates and does not further amend the provisions of the Corporation's Certificate of Incorporation as heretofore amended or supplemented. There is no discrepancy between those provisions and the provisions of this restated Certificate of Incorporation.

IN WITNESS WHEREOF, LCP Chemicals & Plastics, Inc. has caused this restated Certificate of Incorporation to be signed in its corporate name by its Chairman of the Board of Directors and its corporate seal to be affixed hereto and attested by its Secretary this 30th day of May, 1984.

LCP CHEMICALS & PLASTICS, INC.

By _____
Chairman of the Board
of Directors

ATTEST:

By _____
Secretary

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF HANLIN GROUP, INC. FILED IN THIS OFFICE ON THE SIXTH DAY OF OCTOBER, A.D. 1989, AT 12 O'CLOCK P.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 12364959

DATE: 10/06/[illegible]

739279021

# CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION OF HANLIN GROUP, INC.

Hanlin Group, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify:

FIRST: That the Board of Directors of the Corporation at a meeting held on October 3, 1989, unanimously adopted resolutions proposing and declaring advisable the following amendment to the Restated Certificate of Incorporation of the Corporation:

> **RESOLVED**, that (subject to shareholder approval as required by law) the Restated Certificate of Incorporation of the Corporation be amended by deleting Article 4 therefrom and substituting in lieu thereof a new Article 4 to read in its entirety as set forth in Exhibit A hereto.
>
> **FURTHER RESOLVED**, that such Amendment is advisable and that the same be submitted to the shareholders for their consent as required by law.
>
> **FURTHER RESOLVED**, that the proper officers of this Corporation, if the necessary number of shareholders approve as required by law, be, and they hereby are, authorized and directed to file the necessary Certificate of Amendment effecting said Amendment with the Secretary of State of Delaware and to cause a copy thereof certified by said Secretary of State to be recorded in the office of the Recorder of New Castle County, Delaware, and also to file the necessary documents, if any, concerning said Amendment with the appropriate filing officers in all jurisdictions where the Corporation has heretofore qualified to do business as a foreign corporation.

SECOND: That in lieu of a meeting and vote of stockholders the stockholders have given written consent to said Amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware, and written notice of the adoption of the Amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That the aforesaid Amendment was duly adopted in accordance with the applicable provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be hereunto affixed and this Certificate to be signed by its President and attested by its Secretary, this 5th day of October, 1989.

ATTEST:

HANLIN GROUP, INC.

John Kandravy, Secretary

By: C. A. Hansen, Jr., President

EXHIBIT A

Class A Common

4. The total number of shares which the Corporation shall have authority to issue is (a) six million (6,000,000) shares of Common Stock with no par value per share ("Common Stock"), (b) three hundred and fifty (350) shares of Class A Common Stock with no par value per share ("Class A Common Stock") and (c) one million (1,000,000) shares of Preferred Stock with a par value of ten cents ($.10) per share ("Preferred Stock"). The Common Stock and the Class A Common Stock shall hereinafter be referred to collectively as "Corporation Common Stock."

Shares of the authorized capital stock may be issued from time to time for such consideration, not less than the par value thereof in the case of stock with par value, as may be determined from time to time by the Board of Directors.

Except as herein otherwise expressly provided, all shares of Common Stock and Class A Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

When and as dividends are declared thereon, whether payable in cash, in properties or in securities of the Corporation, the holders of shares of Class A Common Stock shall be entitled to receive such dividends which such holders would have been entitled if the shares of Class A Common Stock had at the time such dividends were declared been fully converted into shares of Common Stock and shall be entitled to share equally in such dividends with the holders of Common Stock, except that if dividends are declared which are payable in shares of Common Stock or Class A Common Stock, the holders of shares of Common Stock shall be entitled to receive dividends payable only in shares of Common Stock and holders of shares of Class A Common Stock shall be entitled to receive dividends payable in shares of Class A Common Stock in such number of shares of Class A Common Stock that are convertible into that number of shares of Common Stock which the holders of shares of Class A Common Stock would have been entitled to if the shares of Class A Common Stock had at the time such dividends were declared been fully converted into shares of Common Stock.

Subject to and upon compliance with the provisions of this Article 4, each recordholder of Class A Common Stock except as hereinafter provided shall be entitled at any time and from time to time to convert each share of Class A Common Stock held by such holder into that number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock equal to the Adjusted Conversion Percentage (as such term is hereinafter defined) on the date of such conversion multiplied by the aggregate number of the Fully Diluted Outstanding (as such term is hereinafter defined) shares of Corporation Common Stock on the date of such conversion, except that The Prudential Insurance Company of America ("Prudential") (but not including any of its transferees) shall not be entitled to convert its shares of Class A Common Stock into shares of Common Stock other than upon of the effectiveness of any registration under the Securities Act of 1933, as then in effect, or any successor federal statute then in force, in which such shares of Common Stock are included. The term "Fully Diluted Outstanding" shall mean, when used with reference to Corporation Common Stock at any time as of which the number of shares thereof is to be determined, that the number of such shares of Corporation Common Stock outstanding shall be deemed to equal (A) the sum of, without duplication, (i) all shares of outstanding Corporation Common Stock, (ii) all shares of Corporation Common Stock issuable in respect of all outstanding Options or Convertible Securities (as such terms are hereinafter defined) of the Corporation and such Options and Convertible Securities shall be treated as fully converted or exercised into, shares of Common Stock) regardless, in each case, of any exercise price thereof or whether such right is presently exercisable, (iii) the number of shares of Corporation Common Stock equivalent to the participating interest in the equity value or earnings potential of the Corporation under all outstanding Participating Securities (as such term is hereinafter defined) of the Corporation, (iv) all Contingent Shares (as such term is hereinafter defined) of Corporation Common Stock and shares of Corporation Common Stock issuable pursuant to similar contractual obligations of the Corporation, and (v) all shares of Corporation Common Stock issuable in respect of all other outstanding equity securities, in each case whether dilutive or anti-dilutive, provided, that the calculations pursuant to this clause (A) shall exclude shares of Corporation Common Stock issuable upon conversion of the Class A Common Stock that is outstanding or that is issuable upon exercise of the warrant of the Corporation that was originally issued to Midlantic National Bank on or about October 6, 1989 and that was initially exercisable for 21 shares of Class A Common Stock (the "Midlantic Warrant") (the number of shares of Corporation Common Stock resulting from the calculation pursuant

to this clause (A) being herein the "Clause A Amount"), plus (B) the number obtained by subtracting (1) the quotient obtained by dividing (x) the Clause A Amount by (y) the number obtained by subtracting (i) the number one minus(ii) the Total Conversion Percentage (expressed in decimal form) minus (2) the Clause A Amount. "Total Conversion Percentage" equals the product obtained by multiplying the Adjusted Conversion Percentage times the sum of the number of outstanding shares of Class A Common Stock and the number of shares of Class A Common Stock for which the Midlantic Warrant is exercisable. If any security referred to in categories (i) through (v) above falls into more than one such category, the number of shares of Corporation Common Stock in respect of such security to be included in the determination of Fully Diluted Outstanding shall be given effect in no more than one such category. If the shares of a class or series of Corporation Common Stock shall be convertible into more than one share of another class or series of Corporation Common Stock (whether such shares are convertible individually or in units of more than one share), the determination of Fully Diluted Outstanding shall be made by assuming the conversion of all such shares.

The term "Contingent Shares" shall mean such shares of capital stock of the Corporation as are issuable pursuant to Options, Convertible Securities, existing agreements or plans upon the occurrence of a future event or with the lapse of time and, with respect to the Corporation, including, without limitation, the maximum number of shares of Corporation Common Stock issuable under the Corporation's 1989 Stock Award Plan. The term "Convertible Securities" shall mean evidences of indebtedness, shares of stock or other securities which are directly or indirectly convertible into or exchangeable, with or without payment of additional consideration in cash or property, for shares of Corporation Common Stock, either immediately or upon the occurrence of a specified date or event. The term "Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Corporation Common Stock or Convertible Securities of the Corporation. The term "Participating Securities" shall mean securities or contractual obligations of the Corporation, including, without limitation, stock appreciation rights and warrant appreciation rights, which entitle the holder or beneficiary thereof to share in the equity value or earnings potential of the Corporation, whether the share of such value or potential is an agreed upon amount or is determined by an actual transaction, an appraisal or a formula taking account of net worth, cash flow, revenues, earnings or some other balance sheet or income statement or cash flow measure, or any combination of any of the foregoing, irrespective of whether such holder has the

right to exchange such securities or contractual obligations for Common Stock. For the purposes of the immediately preceding definition, Participating Securities shall not include (i) any Options or (ii) cash bonuses paid to officers and employees of the Corporation and its Subsidiaries in a manner consistent with past practices of the Corporation and its Subsidiaries; provided, however, that so long as any shares of the Corporation's 10% Cumulative Redeemable Preferred Stock of the Corporation are outstanding, such bonuses shall not exceed the sum of (A) 10% of the first $5,000,000 of EBIT (as such term is hereinafter defined), plus (B) 7% of the second $5,000,000 of EBIT, plus (C) 4% of all EBIT in excess of the second $5,000,000 of EBIT. The term "EBIT" shall mean, for any fiscal year of the Corporation, (i) the sum of the amounts for such fiscal year of (A) Consolidated Net Income, (B) consolidated interest expense and (C) federal, state, local and foreign income taxes minus (ii) gains (or plus losses) from asset sales, calculated in accordance with generally accepted accounting principles for such fiscal year. The term "Consolidated Net Income" shall mean, for any fiscal year of the Corporation, the net earnings (or loss) after taxes of the Corporation and its subsidiaries on a consolidated basis for such fiscal year taken as a single accounting period determined in conformity with generally accepted accounting principles.

The Adjusted Conversion Percentage shall initially equal one tenth of one percent. Thereafter, effective upon each occurrence of an Equity Redemption (as such term is hereinafter defined) the new Adjusted Conversion Percentage shall equal the quotient (expressed as a percentage rounded to the nearest one thousandth of one percent) obtained by dividing (A) an amount equal to the number of shares of Common Stock issuable upon conversion of one share of Class A Common Stock immediately prior to such Equity Redemption by (B) an amount equal to the total number of Fully Diluted Outstanding shares of Corporation Common Stock immediately after such Equity Redemption. The term "Equity Redemption" shall mean any redemption, purchase, cancellation or other acquisition, directly or indirectly, by the Corporation or any of its subsidiaries, of Corporation Common Stock, Options, Contingent Shares, Convertible Securities or Participating Securities or any other equity securities of the Corporation other than Preferred Stock.

So long as any shares of Class A Common Stock is outstanding the Corporation shall not issue any voting securities other than Common Stock and 10% Cumulative Redeemable Preferred Stock.

Each conversion of shares of Class A Common Stock into Common Stock shall be effected by the surrender of the certificate or certificates representing shares of Class A Common Stock to be converted at the principal office of the Corporation (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holder or holders of Class A Common Stock) at any time during its usual business hours, together with written notice by the holder of such Class A Common Stock, stating that such holder desires to convert the shares, or a stated number of the shares, of such Class A Common Stock represented by such certificate or certificates into Common Stock which notice shall also state the name or names (with addresses) and denominations in which the certificate or certificates for such Common Stock shall be issued and shall include instructions for delivery thereof. Promptly after such surrender and the receipt of such written notice, the Corporation shall issue and deliver in accordance with such instructions the certificate or certificates for the Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected as of the close of business on the date on which such certificate or certificates shall have been surrendered and such notice shall have been received and at such time the rights of the holder of such Class A Common Stock (or specified portion thereof) as such holder shall cease and the person or persons in whose name or names the certificate or certificates for shares of Common Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of such Common Stock represented thereby.

If the Corporation shall in any manner subdivide or combine the outstanding shares of the Common Stock or Class A Common Stock, the outstanding shares of the other classes shall be proportionately subdivided or combined.

Shares of Class A Common Stock which are repurchased, redeemed or converted into shares of Common Stock as provided herein shall not be reissued.

The Corporation will at all times reserve and keep available out of its authorized but unissued shares of Common Stock or its treasury shares, solely for the purpose of issue upon the conversion of the Class A Common Stock as provided in this Article 4, such number of shares of Common Stock as shall then be issuable upon the conversion of the then outstanding shares of Class A Common Stock. The Corporation covenants all shares of Common Stock which shall be so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges. The Corporation will

take all such action as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or regulation or any requirements of any domestic stock exchange upon which shares of Common Stock may be listed or of the National Association of Securities Dealers, Inc.

If any shares of Common Stock required to be reserved for purposes of conversion of the Class A Common Stock hereunder require registration or approval of any governmental authority under any federal or state law (other than any registration under the Securities Act of 1933, as then in effect, or any successor federal statute then in force, or any state securities law, required by reason of any transfer involved in such conversion), or listing on any domestic securities exchange, before such shares may be issued upon conversion, the Corporation shall, at its expense and as expeditiously as possible, use its best efforts to cause such shares to be duly registered or approved for listing or listed on such domestic securities exchange or quoted in the National Association of Securities Dealers automated quotation system, as the case may be.

The issuance of certificates for shares of Common Stock upon conversion of shares of Class A Common Stock shall be made without charge to holders of such shares of Class A Common Stock for any issuance tax in respect thereof, or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock; provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the Class A Common Stock converted.

The Company will not close its books against the transfer of any shares of Class A Common Stock except as may be required pursuant to any shareholders' agreement to which the Corporation and the holders of Class A Common Stock are parties.

The Corporation shall keep at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of shares of Common Stock and Class A Common Stock. Upon the surrender of any certificate representing shares of Common Stock or Class A Common Stock at such place, the Corporation shall, at the request of the registered holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares of such class represented by the surrendered certificate (and the Corporation forthwith shall cancel such surrendered certificate),

subject to the requirements of applicable securities laws. Each such new certificate shall be registered in such name and shall represent such number of shares of such class as shall be requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate.

Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder, without bond, shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of Common Stock or Class A Common Stock and, in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is an institutional investor, bank or bank holding company, its own agreement of indemnity shall be satisfactory) or, in the case of any such mutilation, upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

The term "outstanding" when used in this Article 4 with reference to the shares of Common Stock or Class A Common Stock as of any particular time shall not include any such shares represented by any certificate in lieu of which a new certificate has been executed and delivered by the Corporation in accordance with this Article 4 but shall include only those shares represented by such new certificate.

Except as otherwise provided by law, the holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the stockholders of the Corporation, Class A Common Stock shall have no right to vote on any matters to be voted on by the stockholders of the Corporation (including, without limitation, any election or removal of the directors of the Corporation) and Class A Common Stock shall not be included in determining the number of shares voting or entitled to vote on such matters; provided that the holders of Class A Common Stock shall be entitled to one vote per share, voting separately as a class, of which the affirmative vote at a meeting or the written consent with or without a meeting of holders of at least 66-2/3% of the outstanding shares of Class A Common Stock shall be necessary for (i) any consolidation or merger of the Corporation with or into any other corporation or corporations, (ii) any conveyance, sale, assignment, transfer or other disposition of all or

any substantial or material part of the Corporation's assets in one or a series of transactions other than Surplus Assets (as such term is hereinafter defined), (iii) any liquidation, dissolution or winding-up of the Corporation, (iv) any amendment to the certificate of incorporation or by-laws of the Corporation so as to affect adversely the rights of the holders of Corporation Common Stock and (v) any creation of any new series or classes of Preferred Stock or any issuance of additional shares of Preferred Stock or any Participating Securities; and provided further that no amendment, modification or waiver of any provision of this paragraph (or the number of shares required to approve such amendment, modification or waiver) shall be effective without the prior written consent of the holders of at least 90% of Class A Common Stock outstanding at the time such change shall be made so affected by such amendment, modification or waiver. The term "Surplus Assets" shall mean the Corporation's Pompano Beach, Florida facility and all of the Corporation's and its Subsidiaries' railway cars.

Except during any time when any or all of Manufacturers Hanover Trust Company, Prudential and Midlantic National Bank hold any shares of Corporation Common Stock, shares of Preferred Stock or any warrants to purchase Corporation Common Stock issued in partial satisfaction of the Corporation's obligations to such financial institutions unless the Corporation shall have obtained prior written consent from each of such institutions, the Board of Directors is authorized, by resolutions duly adopted and filed as amendments to this Certificate of Incorporation, at any time and from time to time, to divide, and to cause the issuance of, the Preferred Stock in one or more series and to determine the designation of each series and the relative voting, dividend, liquidation, and other rights, preferences, and limitations of the shares of each series, including (but without limiting the generality of the foregoing) the following:

(1) The designation of such series;

(2) The number of shares constituting such series;

(3) The rate and times at which, and the terms and conditions on which, dividends on shares of such series will be paid, and the status of such dividends as cumulative or noncumulative and as participating or non-participating;

(4) The right, if any, of the holders of shares of such series to convert the same into, or exchange the same for, shares of other classes or series of stock of the Corporation and the terms and conditions of such conversion or

exchange, including provision for adjustment of the conversion price or rate in such events as the Board of Directors shall determine;

(5) The redemption price or prices and the time or times at which, and the terms and conditions on which, shares of such series may be redeemed;

(6) The rights of the holders of shares of such series upon the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation;

(7) The terms or amount of any sinking fund provided for the purchase or redemption of the shares of such series; and

(8) The voting rights of the holders of shares of such series, including whether such series shall have no voting rights, or multiple, full, limited or special voting rights.

Before any dividends shall be paid on the Common Stock or Class A Common Stock, shares of Preferred Stock of any series shall be entitled to receive dividends at the rate, if any, established for such series. Before any distribution is made with respect to the Common Stock or Class A Common Stock upon dissolution, liquidation, or winding-up of the affairs of the Corporation, shares of Preferred Stock of any series shall be entitled to receive the amount, if any, payable upon dissolution, liquidation, or winding-up of the affairs of the Corporation established for such series.

Whenever any shares of Preferred Stock of any specific series are redeemed or repurchased by the Corporation, such shares shall not be reissued as part of such series but shall resume the status of authorized and unissued shares of Preferred Stock.

CO/61414.3/5-1

# KAMLIN GROUP, Inc.

## CERTIFICATE OF DESIGNATION, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL AND OTHER SPECIAL RIGHTS OF PREFERRED STOCK AND QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS THEREOF

Pursuant to Section 151 of the General Corporation Law of the State of Delaware

Kamlin Group, Inc. (the "Company"), a corporation organized and existing under the General Corporation Law of the State of Delaware, hereby certifies that pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware and Article Fourth of its Restated Certificate of Incorporation, its Board of Directors, at a meeting duly called for and held on October 3, 1989 adopted the following resolution, which resolution remains in full force and effect as of the date hereof:

WHEREAS, the Board of Directors of the Company is authorized, within the limitations and restrictions stated in Article Fourth of the Company's Restated Certificate of Incorporation, to fix by resolution or resolutions the designation of each series of Preferred Stock, $.10 par value per share (the "Preferred Stock"), of the Company and the powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereof, including, without limiting the generality of the foregoing, such provisions as may be desired concerning voting, redemption, dividends, dissolution or the distribution of assets, conversion or exchange, and such other subjects or matters as may be fixed by resolution or resolutions of the Board of Directors under the General Corporation Law of Delaware; and

WHEREAS, it is the desire of the Board of Directors of the Company, pursuant to its authority as aforesaid, to authorize and fix the terms of a series of Preferred Stock to be designated the 10% Cumulative Redeemable Preferred Stock of the Company and the number of shares constituting such series;

NOW, THEREFORE, BE IT RESOLVED, that there is hereby authorized a series of Preferred Stock on the terms and with the provisions herein after set forth:

TERMS, PREFERENCES, RIGHTS AND LIMITATIONS

of

10% CUMULATIVE REDEEMABLE PREFERRED STOCK

of

KAPLIN GROUP, INC.

The relative rights, preferences, powers, qualifications, limitations and restrictions granted to or imposed upon the 10% Cumulative Redeemable Preferred Stock or the holders thereof are as follows:

1. Definitions. For purposes of this Resolution, the following definitions shall apply:

"Accrual Date" shall mean each anniversary of the Original Issue Date.

"Accrual Period" shall mean the period beginning on an Accrual Date and ending on the date immediately preceding the next Accrual Date; provided, however, that the first Accrual Period shall begin on the Original Issue Date and end on the first Accrual Date.

"Affiliate" shall mean, as to any Person, any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person. For the purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; provided, however, that, in any event: (a) any Person who, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the securities having ordinary voting power for the election of directors of such Person or five percent (5%) or more of the partnership or other ownership interests of such Person shall be deemed to control such Person; and (b) with respect to the Company, (i) any Subsidiary of the Company, (ii) each joint venturer or partner of the Company, and (iii) each director and officer of the Company and each director and officer of each of the other entities described in clauses (i) through (iii)

above shall be deemed to be an Affiliate of the Company; and provided, further, that none of Manufacturers Hanover Trust Company, The Prudential Insurance Company of America, Midlantic National Bank or Regents Lending Partnership I L.P. shall under any circumstances, be deemed to be an Affiliate or controlling Person of the Company.

"Average Annual EBIT" shall mean the average of EBIT for each of the five full fiscal years immediately preceding any Transfer.

"Board" shall mean the Board of Directors of the Company.

"Closing Date" shall mean the closing date of the Settlement Agreement.

"Code" shall mean the Internal Revenue Code of 1986 (or any successor thereto), as amended from time to time.

"Commission" shall mean the Securities and Exchange Commission or any other federal agency then administering the Securities Act and other federal securities laws.

"Common Stock" shall mean (i) voting Common Stock, no par value per share, of the Company, (ii) nonvoting Class A Common Stock, no par value per share, of the Company, and any capital stock into which such common stock may thereafter be changed, and shall also include capital stock of the Company of any class (regardless of how denominated) issued to the holders of shares of such common stock upon any reclassification thereof which is also not preferred as to dividends or assets over any other class of stock of the Company and which is not subject to redemption and shares of common stock of any successor or acquiring corporation received by or distributed to the holders of such common stock of the Company in the case of a consolidation or merger with or into the Company, or sale of all or substantially all of the assets, property or business of the Company to another corporation.

"Company" shall mean Manlin Group, Inc.

"Consolidated Net Income" shall mean, with respect to the Company, for any fiscal year of the Company, the net earnings (or loss) after taxes of the Company and its Subsidiaries on a consolidated basis for such fiscal year of

the Company taken as a single accounting period determined i conformity with GAAP.

"Consolidated Net Tangible Assets" shall mean the consolidated assets of the Company and its Subsidiaries, less, without duplication, (i) consolidated current liabilities (excluding current maturities of Funded Debt), (ii) assets, liability, contingency and other appropriate reserves, including reserves for depreciation and for deferred income taxes, (iii) all other liabilities other tha liabilities for Funded Debt representing obligations for borrowed money, and (iv) treasury stock, unamortized debt discount and expense, good will, trademarks, brand names, patents and other intangible assets and any write-up of the value of any assets after December 31, 1988; all as determined in accordance with GAAP.

"Contingent Shares" shall mean such shares of capital stock of a Person as are issuable pursuant to Options, Convertible Securities or existing agreements or plans upon the occurrence of a future event or with the lapse of time and, with respect to the Company, including, without limitation, the maximum number of shares of Common Stock issuable under the Company's 1989 Stock Award Plan.

"Convertible Securities" shall mean any evidences of Debt, shares of stock or other securities which are directly or indirectly convertible into or exchangeable, with or without payment of additional consideration in cash or property, for common stock of any Person, either immediately or upon the occurrence of a specified date or event.

"Cumulative Preferred Stock" shall refer to shares of 10% Cumulative Redeemable Preferred Stock, par value $.10 per share, of the Company.

"Debt" of any Person shall mean (i) all indebtedness of such Person for borrowed money (including, without limitation, reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers' acceptances, whether or not matured) or for the deferred purchase price of property or services, (ii) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments for indebtedness other than borrowed money, (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (iv) all obli-

gations of such Person as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases, (v) all Guaranteed Debt of such Person, (vi) all Debt referred to in clauses (i), (ii), (iii), (iv), or (v) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including, without limitation, accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt, (vii) all liabilities of such Person under Title IV of ERISA, and (viii) the amount at which any redeemable preferred stock, Option, Participating security or any other security of such Person is required to be redeemed or repurchased (whether or not redeemable or repurchasable). For the purposes of Section 5(a), the indebtedness of the Borrower pursuant to the Special Purpose Bridge Loan Agreement dated as of the Closing Date, among the Company, Manufacturers Hanover Trust Company, as agent, and the lenders therein named shall not be deemed to constitute Debt.

"Designated Event" shall have the meaning assigned to it in Section 10 hereof.

"Dividend Payment Date" shall have the meaning assigned to it in Section 3(a) hereof.

"EBIT" shall mean, with respect to the Company, for any fiscal year of the Company (i) the sum of the amounts for such fiscal year of (A) Consolidated Net Income, (B) consolidated interest expense and (C) Federal, state local and foreign income taxes; minus (ii) gains (or plus losses) from asset sales calculated in accordance with GAAP for such fiscal year.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect from time to time.

"Fiscal Year" when used with respect to the Company and its Subsidiaries shall mean the calendar year.

"Funded Debt" of a Person shall mean, with respect to such Person, all Debt of such Person which by the terms of the agreement governing or instrument evidencing such Debt

matures more than one year from, or is directly or indirectly renewable or extendible at the option of such Person under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year from the date of creation thereof, including current maturities of long-term debt, revolving credit, and short-term debt extendible beyond one year at the option of the debtor.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

"Guaranteed Debt" of a Person shall mean, as to such Person, any obligation of such Person guaranteeing any Debt, lease, dividend, or other obligation (the "Primary Obligations") of any other Person (the "Primary Obligor") in any manner including, without limitation, any obligation or arrangement of such Person (A) to purchase or repurchase any Primary Obligation, (B) to advance or supply funds (i) for the purchase or payment of any Primary Obligation or (ii) to maintain working capital or equity capital of the Primary Obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the Primary Obligor, (C) to purchase property, securities or services primarily for the purpose of assuring the owner of any Primary Obligation of the ability of the Primary Obligor to make payment of the Primary Obligation, or (D) to indemnify the owner of the Primary Obligation against loss in respect thereof.

"Net Cash Flow" shall mean with respect to the period from the Original Issue Date through the end of the current Fiscal Year or any Fiscal Year thereafter during which any shares of Cumulative Preferred Stock are outstanding (a) Net pre-tax income for such period or Fiscal Year; plus (b) non-cash charges (including, without limitation, depreciation expense) incurred and any tax refunds received during such period or Fiscal Year plus (c) non-operating income; less (d)(i) taxes with respect to such income paid during such period or Fiscal Year in which such income is earned or due to be paid within twelve (12) months from the end of such period or Fiscal Year, (ii) capital expenditures required for maintenance, cost reduction and environmental compliance projects, (iii) environmental cash reserves up to an aggregate of $3,000,000 per fiscal year, (iv) dividends and principal payments to the holders of Cumulative Preferred Stock pursuant to Sections 3, 5(a) and 5(c) hereof, (v)

mandatory principal debt service cash requirements, (vi) required cash reductions in permitted outstanding balances of working capital loans and (vii) if approved by the holders of Cumulative Preferred Stock, expansion projects, acquisition costs and investments. The foregoing amounts shall be calculated in accordance with GAAP on a consolidated basis with respect to the Company and its Subsidiaries.

"Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire common stock or Convertible Securities of any Person.

"Original Issue Date" shall mean October 1, 1992.

"Participating Securities" shall mean any securities or contractual obligations of any Person, including, without limitation, stock appreciation rights and warrant appreciation rights, which entitles the holder or beneficiary to share in the equity value or earnings potential of such Person, whether the share of such value or potential is an agreed upon amount or is determined by an actual transaction, an appraisal or a formula taking account of net worth, cash flow, revenues, earnings or some other balance sheet or income statement or cash flow measure or any combination of any of the foregoing, irrespective of whether the holder has any right to exchange such securities or contractual obligations for common stock of such Person. For the purposes of this definition, Participating Securities shall not include (i) any Options of the Company or (ii) with respect to the Company and its Subsidiaries, cash bonuses paid to officers and employees of the Company and its Subsidiaries in a manner consistent with past practices of the Company and its Subsidiaries; provided, however, that so long as any shares of Cumulative Preferred Stock are outstanding, such bonuses shall not exceed an amount equal to the sum of (A) 10% of the first $5,000,000 of EBIT, (B) 7% of the second $5,000,000 of EBIT, plus (C) 4% of all EBIT in excess of the second $5,000,000 of EBIT.

"Person" shall mean an individual, partnership, corporation (including a business trust), unincorporated association, joint venture, joint stock company, trust or other entity or a government or any political subdivision or agency thereof.

"Redemption Date" shall mean any date on which any shares of Cumulative Preferred Stock are redeemed by the Company.

"Redemption Price" shall have the meaning assigned to it in subsection (5)(a)(i) hereof.

"Restructured Debt" shall have the meaning assigne to it in subsection 5(a)(ii)(C).

"Securities Act" shall mean the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations promulgated by the Commission or any successor thereof.

"Settlement Agreement" shall mean the Settlement Agreement, dated as of October 6, 1989, among Manufacturers Hanover Trust Company, The Prudential Insurance Company of America, Midlantic National Bank and the Company.

"Stated Value" shall mean, with respect to a share of Cumulative Preferred Stock, (i) from the Original Issue Date to the first Accrual Date, $1,000 per share and (ii) as of any Accrual Date during each subsequent Accrual Period, (A) the sum of the Stated Value applicable during the immediately preceding Accrual Period, plus an amount, if any, equal to all dividends accumulated but unpaid on such share during such immediately preceding Accrual Period, minus (B) an amount, if any, equal to all accumulated dividends paid during such immediately preceding Accrual Period in excess of the current dividends payable thereon during such Accrual Period; provided, however, that for the purposes of redemption pursuant to Section 5 hereof, as of any Redemption Date, the then current Stated Value shall be reduced by an amount equal to the excess, if any, of (A) the amount of the dividends per share paid on the Redemption Date over (B) the amount of the dividends per share as paid for the current Accrual Period.

"Subsidiary" shall mean, with respect to any Person, any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is at the time directly or indirectly owned by such Person.

"Surplus Assets" shall mean the Company's Pompano Beach, Florida, facility and all of the Company's and its Subsidiaries' railway cars.

"Transfer" shall have the meaning assigned to it in Section 5(a)(ii)(B) hereof.

Any accounting term used in this Resolution shall have, unless otherwise specifically provided herein, the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with GAAP consistently applied. That certain terms or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing.

The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Resolution as a whole, as the same may from time to time be amended, modified or supplemented and not to any particular section, subsection or clause contained in this Designation.

Wherever from the content it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

2. Designation; Number of Shares. The designation of the series of Preferred Stock authorized by this resolution is "10% Cumulative Redeemable Preferred Stock" and the number of shares of such series authorized hereby is 16,000 shares.

3. Dividends.

(a) (i) So long as any shares of Cumulative Preferred Stock shall be outstanding, the holders of such Cumulative Preferred Stock shall be entitled to receive, when, as and if declared by the Board, out of any funds legally available therefor, cumulative preferential dividends in cash, at the rate per annum hereafter provided, payable on the respective dates set forth below.

(ii) Dividends on shares of Cumulative Preferred Stock, at a rate per annum per share equal to ten

percent (10%) of the Stated Value of such shares during the then current Accrual Period, shall accrue daily and shall be payable quarterly on the last Business day of each March, June, September and December (each such date being called a "Dividend Payment Date"). In the event that sufficient funds for any such dividend shall not at any time be otherwise legally available, the Company shall use its best efforts to cause such funds to become available. Dividends on Cumulative Preferred Stock shall be cumulative from the original issue date and unpaid accrued dividends shall accumulate on the next subsequent Accrual Date (whether or not declared and whether or not in any dividend period there shall be net profits or net assets of the Company legally available for the payment of dividends on the Cumulative Preferred Stock). On each Accrual Date, accumulated and unpaid dividends shall be added to the then current Stated Value as provided in the definition thereof.

(b) So long as any shares of Cumulative Preferred Stock shall remain outstanding, the Company may not declare or pay any dividend, make a distribution, or purchase, acquire, redeem, pay monies to the holders of, or incur an obligation to repurchase or redeem, or set aside monies or make monies available for a sinking fund for the purchase or redemption of, any share of Common Stock or any share of any other class or series of the Company's Preferred Stock ranking junior to the Cumulative Preferred Stock with respect to payment of dividends or the distribution of assets on liquidation, dissolution or winding up of the Company or any Option, Convertible Security (other than principal and interest payments with respect thereto) or Participating Security of the Company, except that the Company may redeem, purchase or otherwise acquire shares of voting common stock (including, without limitation, purchases of the kind contemplated pursuant to Section 409(h) of the Code) from, or make payments in respect of any of its Options, Convertible Securities, Contingent Shares or Participating Securities to, any Person, other than (A) Manufacturers Hanover Trust Company, The Prudential Insurance Company of America and the Michigan National Bank, and (B) Regents Lending Partnership I, L.P. and Regency Group, Inc. with respect to the warrants issued to each of them, in any fiscal year in an aggregate amount not to exceed $1,000,000 (pro rata for any fiscal year of less than 12 months).

4. Liquidation Rights of Cumulative Preferred Stock.

(a) In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of Cumulative Preferred Stock then outstanding shall be entitled to be paid, ratably among the holders of Cumulative Preferred Stock, based on the full preferential amounts for the number of shares of Cumulative Preferred Stock held by each holder, out of the assets of the Company available for distribution to its stockholders, whether such assets are capital, surplus or earnings, before any payment or declaration and setting apart shall be made for payment of any amount in respect of any shares of Common Stock or any share of any other class or series of the Company's Preferred Stock ranking junior to the Cumulative Preferred Stock with respect to the payment of dividends or the distribution of assets on liquidation, dissolution or winding up of the Company, an amount per share equal to the then current Stated Value plus all accrued and unpaid dividends per share from the immediately preceding Accrual Date (including a prorated quarterly dividend from the last Dividend Payment Date to the date of such payment).

(b) If upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the assets to be distributed among the holders of Cumulative Preferred Stock shall be insufficient to permit the payment to such stockholders of the full preferential amounts aforesaid, then the entire assets of the Company to be distributed shall be distributed ratably among the holders of Cumulative Preferred Stock, based on the full preferential amounts for the number of shares of Cumulative Preferred Stock held by each holder.

(c) A sale, lease or exchange (for cash, shares of stock, securities or other consideration) of all or substantially all the property and assets of the Company or a merger or consolidation of the company shall be deemed to be a dissolution, liquidation or winding up of the Company as those terms are used in this Section 4.

8. Redemption of Cumulative Preferred Stock.

(a) Mandatory Redemption.

(i) The Company shall, at the redemption price per share equal to the then current Stated Value plus an amount equal to all accrued and unpaid dividends per share from the immediately preceding Accrual Date (including a prorated quarterly dividend from the last Dividend Payment Date) to the Redemption Date (the "Redemption Price"), and in the manner provided in subsections 8(a)(v) through 8(a)(viii), redeem from any source of funds legally available therefor, all shares of Cumulative Preferred Stock outstanding on September 30, 2001.

(ii) In addition to redemption under subsection 8(a)(i), the Company shall, at the Redemption Price, and in the manner provided in subsections 8(a)(v) through 8(a)(viii), redeem from any source of funds legally available therefor, shares of Cumulative Preferred Stock outstanding on each date on which any of the following transactions shall be consummated:

(A) any issuance by the Company in one or more transactions, such aggregate number of shares of Common Stock as shall equal or exceed thirty percent (30%) of the number of shares of Common Stock outstanding on the Closing Date (after giving effect to the transactions contemplated by the Settlement Agreement); provided, however, that the issuance of Common Stock by the Company to the LCP Chemicals & Plastics, Inc. Employee Stock Ownership Plan or the LCP Chemicals & Plastics Inc. Savings Plan that is in a manner and in an amount consistent with past practice shall be excluded from such thirty percent (30%) calculation and; provided, further, that (i) the issuance of shares of Common Stock upon exercise of the warrants issued by the Company on the Closing Date to Midlantic National Bank, Regents Lending Partnership I, L.P. and Regency Group, Inc. and (ii) the issuance of shares of voting common stock upon the conversion of Class A Common Stock shall not be deemed to constitute an issuance of shares of Common Stock for purposes of this clause (A). For the purposes of this Section 8(a)(ii)(A), the Common Stock outstanding shall be deemed to include

(a) the outstanding shares of voting common stock of the Company, (b) the shares of voting common stock of the Company issuable upon conversion of the outstanding shares of Class A Common Stock of the Company, (c) the shares of voting common stock of the Company issuable upon the conversion of the shares of Class A Common Stock of the Company issuable upon the exercise of the Midlantic Warrant (as such term is defined in the Settlement Agreement), (d) the shares of voting common stock issuable upon exercise of the Lending Partnership Warrant and the Regency Warrant (as each such term is defined in the Settlement Agreement) and (e) the shares of voting common stock of the Company issuable at a purchase price of less than U.S. $1.00 upon the exercise of any other Option of the Company outstanding on the Closing Date.

(3) any sale, lease, exchange, mortgage, pledge or other disposition (a "Transfer") of assets of the Company in one or more transactions, the proceeds from which equal or exceed in value on a cumulative basis thirty percent (30%) or more of the Average Annual EBIT; provided, however, that none of (i) the sale of the potassium products business of the Company pursuant to the Asset Purchase Agreement dated on or about the Closing Date between the Company and Linchem, Inc., (ii) the granting by the Company of a security interest in certain of its assets to Gibraltar Corporation of America ("Gibraltar") as security for a working capital loan from Gibraltar to the Company on or about the Closing Date, or (iii) the assignment of certain insurance proceeds to Manufacturers Hanover Trust Company ("MHTCo.") as agent, pursuant to that certain Special Purpose Bridge Loan Agreement, dated as of the Closing Date, among the Company, MHTCo., as agent and the Lenders therein named shall constitute a Transfer under this Section 8(a)(ii)(B);

(C) any refunding, refinancing or restructuring of Debt of the Company or any agreement, amendment, modification or waiver relating thereto such that, after giving effect thereto, Debt equal to thirty percent (30%) or more of Debt incurred by the Company after giving effect to the

transactions of the Company consummated on the Closing Date shall be Restructured or satisfied (any of the foregoing being a "Restructuring" and Debt thereby restructured being "Restructured Debt"); provided, however, that no such redemption will be required pursuant to this subparagraph (C), if (1) the Company's working capital loan commitment is increased to an amount not to exceed $35,000,000 and (2) any Restructuring results in new obligations of the Company, the terms and conditions of which are substantially identical with the terms and conditions of the Restructured Debt and no distribution, in cash or otherwise, is directly or indirectly made to holders of any shares of Common Stock, or any shares of any other class or series of the Company's Preferred Stock or to beneficiaries or holders of any Options, Convertible Securities, Contingent Shares or Participating Securities of the Company or of any of its Subsidiaries; or

(D) any primary offering of any securities evidencing Debt or equity in the Company registered under the Securities Act or pursuant to any available exemption thereunder, except as otherwise permitted under subparagraph (A) above;

provided, however, that if the Company shall realize cash proceeds in respect of any such transaction described in this subsection 5(a)(ii) which are insufficient to redeem all the shares of Cumulative Preferred Stock then outstanding and there is no other source of legally available cash sufficient to redeem all such shares, the Company shall apply such available cash to the redemption for cash of the maximum possible number of shares that can be redeemed; provided, further, that if the Company shall not redeem all outstanding shares of Cumulative Preferred Stock and shall realize any non-cash proceeds in any transaction described in this subsection 5(a)(ii), the Company shall hold all such non-cash proceeds (including, without limitation, any Notes, instruments, letters of credit, guarantees, securities and the like) for the benefit of the holders of the Cumulative Preferred Stock and shall segregate such non-cash proceeds from the other assets of the Company, and upon receipt by the Company of any amounts or proceeds of such non-cash proceeds the Company shall redeem for cash at the Redemption Price, the maximum possible number of shares of Cumulative Preferred

Stock in the manner provided in subsections 5(a)(v) through 5(a)(viii). At the request of the holders of Cumulative Preferred Stock the Company shall deliver such non-cash proceeds to a collection trustee (the "Collection Trustee") designated by such holders in the same form as so received (with any necessary endorsement). The Company shall authorize the Collection Trustee to enforce collection of such non-cash proceeds or convert such non-cash proceeds into cash in any commercially reasonable manner and shall irrevocably appoint the Collection Trustee as the agent and the true and lawful attorney-in-fact of the Company, in its name and stead, to directly pay, upon collection of such non-cash proceeds, to the holders of shares of Cumulative Preferred Stock the Redemption Price for the maximum possible number of shares of Cumulative Preferred Stock that may then be redeemed from the proceeds so collected and, upon making such payment, such shares shall be redeemed and the holders shall deliver the certificates representing such shares to the Company. For such purpose and in such capacity, the Collection Trustee shall be authorized to execute all such documents and instruments and any substitute one or more persons with like power and the Company shall ratify and confirm all that its said attorney-in-fact, or such substitute or substitutes, shall lawfully do by virtue of such authorization.

(iii) In addition to redemption pursuant to subsections 5(a)(i) and 5(a)(ii), the Company shall, within 120 days after the end of each Fiscal Year, redeem in the manner provided in subsections 5(a)(v) through 5(a)(viii), the maximum number of shares of Cumulative Preferred Stock possible by applying thereto an amount equal to 50% of the Net Cash Flow of the Company for such Fiscal Year. Any redemption pursuant to this subsection 5(a)(iii) shall be at the Redemption Price.

(iv) In addition to redemption pursuant to subsections 5(a)(i), 5(a)(ii) and 5(a)(iii), the Company shall, concurrently with any redemption of voting common stock pursuant to, and in excess of the amount specified in, subsection 3(b), and in the manner provided in subsections 5(a)(v) through 5(a)(viii), redeem from any source of funds legally available therefor, that number of shares of Cumulative Preferred Stock the aggregate Redemption Price of which shall equal the aggregate redemption amount of such shares of voting common stock.

(v) In the event of a redemption of only a portion of the then outstanding shares of Cumulative Preferred Stock, the Company shall effect such redemption pro rata according to the number of shares held by each holder of Cumulative Preferred Stock.

(vi) Except in the case of a redemption pursuant to the second proviso to subsection 5(a)(ii) hereof, in which case notice shall be given promptly after the receipt of cash proceeds, at least thirty (30) days and not more than sixty (60) days prior to the date redemption of Cumulative Preferred Stock is to be provided for by this Section 5, written notice (the "Redemption Notice") shall be mailed, postage prepaid, to each holder of record of Cumulative Preferred Stock at his or its post office address last shown on the records of the Company. The Redemption Notice shall state:

(A) whether all or less than all the outstanding shares of Cumulative Preferred Stock are to be redeemed and the total number of shares of Cumulative Preferred Stock being redeemed and, in the case of any redemption pursuant to subsection 5(a)(ii)(B), the nature of the proposed transaction, the amount of the cash proceeds and the value and form of the non-cash proceeds, if any, to be received by the Company in respect of such transaction;

(B) the number of shares of Cumulative Preferred Stock held by the holder that the Company intends to redeem;

(C) the date scheduled for redemption and the Redemption Price; and

(D) that the holder is to surrender to the Company, in the manner and at the place or places to be designated in such notice, his or its certificate or certificates representing the shares of Cumulative Preferred Stock to be redeemed.

(vii) On or before the date scheduled for redemption, each holder of Cumulative Preferred Stock shall surrender the certificate or certificates representing such shares of Cumulative Preferred Stock to the Company, in the manner and at the place designated in the Redemption Notice, and thereupon the redemption price for such shares shall be

payable in cash on the Redemption Date to the person whose name appears on such certificate or certificates as the owne thereof, and each surrendered certificate shall be cancelled and retired. In the event that less than all of the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(viii) Dividends on each share of Cumulative Preferred Stock that is called for redemption and redeemed o the related Redemption Date shall cease to accumulate on such Redemption Date, and the holders of shares so redeemed shall cease to have any further rights as shareholders with respect to the shares redeemed on such Redemption Date, other than the right to receive payment of the Redemption Price. In the event the Company shall default in payment of the Redemption Price, such shares shall not be redeemed and shall remain outstanding and dividends shall continue on each share of Cumulative Preferred Stock not so redeemed.

(b) Optional Redemption.

The Company may, at the option of the Board, redeem at any time, from and to the extent of any source of funds legally available therefor, in the manner provided in subsections 5(a)(v) through 5(a)(viii), all or any portion of Cumulative Preferred Stock at the Redemption Price.

(c) Other Redemptions.

(i) In the event that a Designated Event shall occur and be continuing, each holder of Cumulative Preferred Stock may require the Company to redeem, at the Redemption Price, from and to the extent of any funds legally available therefor, all or any portion or all of such holder's shares of Cumulative Preferred Stock. The Company shall give written notice of such Designated Event to each holder of Cumulative Preferred Stock within five days following such occurrence, which notice shall set forth the nature of the Designated Event, including the expected effect thereof, and the manner and place designated by the Company where the holder may surrender to the Company his or its certificate or certificates representing the shares of Cumulative Preferred Stock. Each holder may exercise such holder's right to redeem the shares of Cumulative Preferred Stock by surrendering for such purpose to the Company, in the manner and at the place designated in such notice, a certificate or certificates representing the shares of

Cumulative Preferred Stock to be redeemed accompanied by a written notice stating that such holder elects to require the Company to redeem all or a specified number of such shares in accordance with this subsection 5(c)(i). As soon as practicable and in any event within five (5) business days after the surrender of such certificate or certificates and the receipt of such notice relating thereto, the Company shall redeem all shares of Cumulative Preferred Stock as to which redemption rights under this subsection 5(c)(i) have been exercised.

(ii) If, at the time of any redemption pursuant to this subsection 5(c), the funds of the Company legally available for redemption of Cumulative Preferred Stock are insufficient to redeem the number of shares required to be redeemed, those funds which are legally available shall be used to redeem the maximum possible number of such shares, pro rata based upon the number of shares requested to be redeemed by the holders thereof. At any time thereafter when additional funds of the Company become legally available for the redemption of Cumulative Preferred Stock, such funds shall immediately be used to redeem additional shares of Cumulative Preferred Stock which the Company has become obligated to redeem pursuant to this subsection 5(c), but which it has not redeemed. Redemptions made pursuant to this subsection 5(c)(ii) shall not relieve the Company of its obligation to redeem Cumulative Preferred Stock as required by subsection 5(a) above.

(d) Notwithstanding anything to the contrary, with respect to any shares of Cumulative Preferred Stock of which LCP Investment Partnership shall become a holder, Section 5(a)(ii) and Section 5(c) shall be inoperative and of no further force and effect.

(e) The manner of surrendering certificates for redemption shall be reasonable and customary for transactions of a like nature and the place of redemption shall in all events include a place in the Borough, City and State of New York.

6. Voting Rights. The holders of Cumulative Preferred Stock, except as otherwise provided by this Resolution or required by law, shall not be entitled to vote.

From and after the Original Issue Date, if (A) the Company shall be in arrears in the payment of an aggregate of

any four quarterly dividends (which need not be consecutive) on the shares of Cumulative Preferred Stock then outstanding, (B) the Company shall have failed to redeem shares of Cumulative Preferred Stock as and when required, or (C) a Designated Event (other than the Designated Event specified in subsection 10(a)(i) hereof) shall have occurred and be continuing, the holders of Cumulative Preferred Stock, voting separately as a class, shall have the exclusive right to elect, at their option, in the case of clause (A) above, two additional directors and, in the case of clauses (B) and (C) above, four additional directors in addition to the number to be elected by the holders of Common Stock or any other shares of Preferred Stock of the Company, at the next annual meeting of stockholders called for the election of directors, and at every subsequent such meeting at which the terms of office of the directors so elected by the holders of Cumulative Preferred Stock expire, provided that such arrearage, failure or occurrence exists on the date of such meeting or subsequent meetings, as the case may be.

The right of the holders of Cumulative Preferred Stock, voting separately as a class, to elect members of the Board of Directors of the Company as aforesaid shall continue until such time as all dividends accumulated on Cumulative Preferred Stock shall have been paid in full and provision has been made for the payment in full of the dividends for the current period, the Company shall have redeemed all shares of Cumulative Preferred Stock then required to be redeemed pursuant to Section 5(a) hereof and a Designated Event shall no longer be continuing, at which time the special right of the holders of Cumulative Preferred Stock so to vote separately as a class for the election of directors shall terminate, subject to revesting at such time as the Company shall be in arrears in the payment of an aggregate of any four quarterly dividends (which need not be consecutive) on the outstanding shares of Cumulative Preferred Stock, the Company shall have failed to redeem shares of Cumulative Preferred Stock as and when required or a Designated Event shall have occurred and be continuing. If the annual meeting of stockholders of the Company is not, for any reason, held within the time fixed in the by-laws of the Company at a time when the holders of Cumulative Preferred Stock, voting separately and as a class, shall be entitled to elect directors, or if vacancies shall exist in the offices of directors elected by the holders of Cumulative Preferred Stock, a proper officer of the Company, upon the written request of the holders of record of at least ten percent (10%) of the

shares of Cumulative Preferred Stock then outstanding, addressed to the Secretary of the Company, shall call a special meeting in lieu of the annual meeting of stockholders, or in the event of vacancies, a special meeting of the holders of Cumulative Preferred Stock, for the purpose of electing directors. Any such meeting shall be held at the earliest practicable date at the place for the holding of the annual meetings of stockholders. If such meeting shall not be called by the proper officer of the Company within twenty (20) days after personal service of said written request upon the Secretary of the Company, or within twenty (20) days after mailing the same within the United States by certified mail, addressed to the Secretary of the Company at its principal executive offices, then the holders of record of at least ten percent (10%) of the outstanding shares of Cumulative Preferred Stock may designate in writing one of the holders to call such meeting at the expense of the Company, and such meeting may be called by the holder so designated upon the notice required for the annual meetings of stockholders of the Company and shall be held at any place at which an annual meeting of stockholders may be held. Any holder of Cumulative Preferred Stock so designated shall be given access by the Company to the lists of stockholders to be called pursuant to the provisions hereof.

At any meeting held for the purpose of electing directors at which the holders of Cumulative Preferred Stock shall have the right, voting separately as a class, to elect directors as aforesaid, the presence in person or by proxy of the holders of at least one-third of the outstanding Cumulative Preferred Stock shall be required to constitute a quorum of such Cumulative Preferred Stock. At any such meeting an affirmative vote of two-thirds of the holders of Cumulative Preferred Stock present in person or by proxy shall be the act of all holders of Cumulative Preferred Stock.

Any vacancy occurring in the office of director elected by the holders of Cumulative Preferred Stock may be filled by the remaining director or directors elected by the holders of Cumulative Preferred Stock unless and until such vacancy shall be filled by the holders of Cumulative Preferred Stock. Each director to be elected by the holders of Cumulative Preferred Stock as provided in this Section 6 shall hold office until the annual meeting of stockholders next succeeding his election or until his successor, if any, is elected by such holders and qualified.

In any case in which the holders of Cumulative Preferred Stock shall be entitled to vote pursuant to this Section 6 or pursuant to law, each holder of Cumulative Preferred Stock shall be entitled to one vote for each share of Cumulative Preferred Stock held.

7. Special Consents. So long as any shares of Cumulative Preferred Stock shall remain outstanding, the Company will not, and will not permit any of its Subsidiaries to, without the affirmative vote at a meeting or the written consent with or without a meeting of the holders of at least two-thirds of the outstanding shares of Cumulative Preferred Stock, voting separately as a class,

(a) create any new series or classes of Preferred Stock or issue any additional shares of Preferred Stock or any Participating Securities;

(b) amend, alter or repeal the Company's certificate of incorporation or by-laws or any provision of any agreement, instrument or document so as to affect adversely the rights of the holders of the Cumulative Preferred Stock;

(c) consolidate or merge with or into any other corporation or corporations, or liquidate, wind up or dissolve itself, or convey, sell, assign, lease, transfer or otherwise dispose of, all or any substantial or material part of its assets other than Surplus Assets;

(d) create or suffer to exist any Debt, except Funded Debt of the Company and its Subsidiaries, if immediately after giving effect to such Funded Debt and the receipt and application of any proceeds thereof, the consolidated Funded Debt of the Company and its Subsidiaries shall not exceed an amount equal to fifty percent (50%) of the Consolidated Net Tangible Assets of the Company and its Subsidiaries;

(e) make any investment in, or make or accrue loans or advances of money to any Person, through the direct or indirect holding of securities or otherwise including, without limitation, the holding of Preferred Stock, Options, Convertible Securities or any other securities of Linchem, Inc., except that the Company or any of its Subsidiaries may make one or more investments in, or make or accrue loans or advances of money, in the case of the Company, to any of its

Subsidiaries, and, in the case of any Subsidiary of the Company, to the Company and any other Subsidiary of the Company and make and own investments in (i) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency thereof maturing within one year from the date of acquisition thereof, (ii) commercial paper maturing no more than one year from the date of creation thereof and at the time of their acquisition having the highest rating obtainable from either Standard & Poor's Corporation or Moody's Investors Service, Inc., and (iii) certificates of deposit, maturing no more than one year from the date of creation thereof, issued by commercial banks incorporated under the laws of the United States of America, each bank having combined capital, surplus and undivided profits of not less than $250,000,000 and having a rating of "A" or better by a nationally recognized rating agency and (iv) the investments and loans set forth in Schedule 7.5 of the Special Purpose Bridge Loan Agreement, dated as of the Closing Date, among the Company, as borrower, Manufacturer Hanover Trust Company, as agent and the lenders named therein.

(f) enter into or be a party to any transaction with any Affiliate of the Company or with Lincheu, Inc., except in the ordinary course of, and pursuant to the reasonable requirements of, the Company's or such Subsidiary's business which terms are no less favorable to the Company or such Subsidiary, as the case may be, than it would obtain at the time of such transaction in a comparable arm's length transaction with a Person not an Affiliate of the Company or such Subsidiary;

(g) incur any Guaranteed Debt, except (i) by endorsement of instruments or items of payment for deposit to the general account of the Company or such Subsidiary, (ii) in the case of the Company, pursuant to those certain Guaranty Agreements, dated as of September 1, 1989, between the Company and each of Regents Lending Partnership I, L.P. and the Working Capital Lender therein named and (iii) pursuant to those certain guaranties, dated on or about the Closing Date, between the Company or its Subsidiaries and Gibraltar;

(h) sell with recourse or discount, or otherwise sell for less than the face value thereof, any of its notes or accounts receivable;

(i) sell, assign, pledge or transfer any shares of stock or Debt of any Subsidiary or the Company, except for sales, assignments and transfers between Subsidiaries of the Company or between the Company and a Subsidiary of the Company;

(j) purchase, redeem or otherwise acquire for value or make any payment in respect of any shares of Series C Preferred Stock of the Company except on the Closing Date; or

(k) make cash contributions to any qualified plan of the Company or any of its Subsidiaries, including, without limitation, the LCP Chemicals & Plastics, Inc. Employee Stock Ownership Plan (the "ESOP") and the LCP Chemicals & Plastics, Inc. Savings Plan (the "Savings Plan") unless concurrently with such cash contributions the ESOP and the Savings Plan shall purchase voting common stock of the Company in an amount equal to such cash contributions and except that the minimum cash contribution required by law may be made to each of the Company's Retirement Plan and Pension Plan.

8. Financial statements and information. The Company, so long as any of the shares of Cumulative Preferred Stock shall remain outstanding, shall deliver to the holders thereof, in duplicate:

(a) As soon as available and in any event within 30 days after the end of each month, (i) a copy of the unaudited consolidated balance sheet of the Company and its Subsidiaries as of the end of such month and the unaudited related consolidated statements of income, retained earnings and cash flows for that portion of the Fiscal Year ending as of the end of such month, and (ii) a copy of the unaudited consolidated statement of income of the Company and its Subsidiaries for such month, all prepared in accordance with GAAP (subject to normal year-end adjustments) applied on a consistent basis and satisfactory in scope to the holders of Cumulative Preferred Stock, setting forth in each case in comparative form consolidated figures for the corresponding periods of the previous fiscal year and budgeted consolidated figures for such periods and accompanied by (A) a statement in reasonable detail showing the calculations used in determining compliance with the financial covenant set forth in clause (d) of Section 7 hereof, and (B) the certification of the chief executive officer or chief financial officer of the

Company that all such financial statements present fairly in accordance with GAAP (subject to normal year-end adjustments), the consolidated financial position, the consolidated results of operations and cash flows of the Company and its Subsidiaries as at the end of such month and for the period then ended, that no event described in Section 8(a) hereof has occurred and that no Designated Event has occurred and is continuing as of such time.

(b) As soon as available and in any event within 45 days after the end of each of the first three fiscal quarters of each Fiscal Year of the Company, (i) a copy of the unaudited consolidated balance sheet of the Company and its Subsidiaries as of the close of such quarter and the related consolidated statements of income, retained earnings and cash flows for that portion of the Fiscal Year ending as of the close of such quarter, and (ii) a copy of the unaudited consolidated statement of income of the Company and its Subsidiaries for such quarter, all prepared in accordance with GAAP (subject to normal year end adjustments) applied on a consistent basis, setting forth in each case in comparative form consolidated figures for the corresponding periods of the previous fiscal year and budgeted consolidated figures for such periods, and accompanied by (A) a statement in reasonable detail showing the calculations used in determining compliance with the financial covenant set forth in clause (d) of Section 7 hereof, and (B) the certification of the chief executive officer or chief financial officer of the Company that all such financial statements present fairly in accordance with GAAP (subject to normal year-end adjustments) and satisfactory in scope to the holders of Cumulative Preferred Stock, the consolidated financial position, the consolidated results of operations and cash flows of the Company and its Subsidiaries as at the end of such quarter and for the period then ended, that no event described in Section 8(a) hereof has occurred and that no Designated Event has occurred and is continuing as of such time.

(c) As soon as available and in any event within 120 days after the close of each Fiscal Year of the Company, a copy of the annual audited consolidated financial statements of the Company and its Subsidiaries, consisting of a consolidated balance sheet and consolidated statements of income, retained earnings and cash flows, setting forth in each case in comparative form consolidated figures for the previous fiscal year, which financial statements shall be prepared in accordance with GAAP and satisfactory in scope to

the holders of Cumulative Preferred Stock, certified without qualification by Touche Ross & Company or any other firm of independent certified public accountants of recognized national standing selected by the Company and acceptable to the holders of Cumulative Preferred Stock, and accompanied by (i) a schedule in reasonable detail showing the calculations used in determining compliance with the financial covenant set forth in Clause (d) of Section 7 hereof, (ii) a report from such accountants to the effect that in connection with their audit examination, nothing has come to their attention to cause them to believe that an event described in Section 5(a) hereof or a Designated Event has occurred and (iii) a certification of the chief executive officer or chief financial officer of the Company that all such financial statements present fairly in accordance with GAAP the consolidated financial position, the consolidated results of operations and cash flows of the Company and its Subsidiaries as at the end of such year and for the period then ended, that no event described in Section 5(a) hereof has occurred, and that no Designated Event has occurred and is continuing as of such time.

(d) As soon as available and in any event within 30 days prior to the beginning of each Fiscal Year of the Company:

(i) a budgeted consolidated balance sheet of the Company and its Subsidiaries for such Fiscal Year, on a quarterly basis;

(ii) a budgeted consolidated cash flow statement of the Company and its Subsidiaries, for such Fiscal Year, on a quarterly basis; and

(iii) a budgeted consolidated income statement of the Company and its Subsidiaries for such Fiscal Year, on a quarterly basis.

The Company shall also supply such supporting details to such budgeted financial statements as may be requested by any holder of Cumulative Preferred Stock.

(e) Promptly upon their becoming available, a copy of each report, notice or proxy statement sent by the Company to its stockholders generally, and of each regular or periodic report (pursuant to the Exchange Act) and any registration statement, prospectus or written communication (other

than transmittal letters) pursuant to the Securities Act filed by the Company with (i) the Commission or (ii) any securities exchange on which shares of Common Stock or Preferred Stock of the Company are listed.

(f) Such other information respecting the Company's or any of its Subsidiaries' business, financial condition or prospects as any holder of Cumulative Preferred Stock may, from time to time, reasonably request.

9. Access. Upon reasonable prior notice and without disruption of the normal course of business of the Company and its Subsidiaries, the Company shall, during normal business hours and as frequently as any holder of Cumulative Preferred Stock determines to be appropriate, permit any such holder, or any agents or representatives thereof, to (a) inspect the properties and facilities of the Company and its Subsidiaries, (b) inspect, audit and make extracts from all of the Company's and its Subsidiaries' records, files and books of account, (c) discuss the affairs, finances and accounts of the Company and any of its Subsidiaries with any of their respective officers or directors, and (d) communicate directly with the Company's independent certified public accountants. The Company shall authorize its accountants to disclose to any holder of Cumulative Preferred Stock any and all financial statements and other supporting financial documents and schedules including copies of any management letter with respect to the business, financial condition and other affairs of the Company and any of its Subsidiaries.

10. Designated Events.

(a) The occurrence of any one or more of the following events shall constitute a "Designated Event" with respect to Cumulative Preferred Stock:

(i) the Company shall be in arrears in the payment of an aggregate of any four quarterly dividends (whether not be consecutive) on the shares of Cumulative Preferred Stock then outstanding;

(ii) the Company shall fail or neglect to perform keep or observe any term, agreement, provision or covenant contained herein and such failure in respect of such term, agreement, provision or covenant shall remain unremedied for five (5) days thereafter;

(iii) a default shall occur under any agreement, document or instrument to which the Company or any Subsidiary of the Company is a party or by which the Company or any Subsidiary of the Company or property of the Company or any of its Subsidiaries is bound, and such default (i) involves the failure to make any payment when due and after any applicable grace period has expired (whether of principal, interest or otherwise and whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) in respect of any Debt of the Company, or (ii) causes (or permits any holder of such Debt or a trustee to cause) such Debt or a portion thereof, to become due prior to its stated maturity or prior to its regularly scheduled dates of payment;

(iv) any of the assets of the Company or any Subsidiary of the Company shall be attached, seized, levied upon or subject to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of the Company or such Subsidiary and shall remain unstayed or undismissed for thirty (30) consecutive days; or any Person other than the Company or any Subsidiary of the Company shall apply for the appointment of a receiver, trustee or custodian for any of the assets of the Company or such Subsidiary and such application shall remain unstayed or undismissed for thirty (30) consecutive days; or the Company or any Subsidiary of the Company shall have concealed, removed or permitted to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them or made or suffered a transfer of any of its property or the incurring of an obligation which may be fraudulent under any bankruptcy, insolvency, fraudulent conveyance or other similar law;

(v) a case or proceeding shall have been commenced against the Company or any Subsidiary of the Company in a court having competent jurisdiction seeking a decree or order in respect of the Company or such Subsidiary (i) under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) of the Company or any Subsidiary of the Company or of any substantial part of its property, or (iii) ordering the winding up or liquidation of the affairs of the Company or any Subsidiary of the Company and such case or proceeding shall remain undismissed or unstayed for thirty

by hand or overnight courier, when delivered at the address so specified. Any notices to the Agent shall be given in the same manner hereinabove provided at the address as shall be designated by the Agent.

IN WITNESS WHEREOF, the Company caused this Certificate to be signed by its President and Assistant Secretary respectively, on this 2nd day of October, 1989.

President

Assistant Secretary

I61414.3/1-8

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF STOCK DESIGNATION OF HANLIN GROUP, INC. FILED IN THIS OFFICE ON THE SIXTH DAY OF OCTOBER, A.D. 1989, AT 12:01 O'CLOCK P.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 1236496

DATE: 10/06/1

739279022

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF LCP CHEMICALS & PLASTICS INC. FILED IN THIS OFFICE ON THE FIFTH DAY OF JANUARY, A.D. 1988 AT 10 O'CLOCK A.M.

729264044

Michael Harkins, Secretary of State

AUTHENTICATION: 2345564

DATE: 09/21/1989

# CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION OF LCP CHEMICALS & PLASTICS, INC.

LCP Chemicals & Plastics, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: That at a meeting of the Board of Directors of LCP Chemicals & Plastics, Inc., resolutions were duly adopted setting forth a proposed Amendment to the Restated Certificate of Incorporation of said Corporation, declaring the said Amendment to be advisable and directing that the proposed Amendment be submitted to the shareholders of said Corporation for consideration thereof. The resolutions setting forth the proposed Amendment are as follows:

> RESOLVED, that the Restated Certificate of Incorporation of the Corporation be amended by changing the Article numbered "1", so that, as amended, said Article shall read as follows:
>
> **"The name of the Corporation is HANLIN GROUP, INC."**
>
> FURTHER RESOLVED, that the above proposed Amendment be submitted to the stockholders for their approval as required by law.
>
> FURTHER RESOLVED, that upon approval of the above proposed Amendment by the stockholders of the Corporation, the proper officers of this Corporation be and they are hereby authorized and directed to file the necessary Certificate effecting said Amendment with the Secretary of State of the State of Delaware and to cause a copy thereof, certified by said Secretary of State, to be recorded with the Recorder of Deeds of New Castle County, Delaware, and also to file the necessary documents if any, concerning said

Amendment with the appropriate filing officers in all jurisdictions where the Corporation has heretofore qualified to do business as a foreign corporation.

SECOND: In lieu of a meeting and vote of stockholders, stockholders owning not less than a majority of the outstanding capital stock entitled to vote have given written consent to said Amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware, and written notice of the adoption of the Amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That said Amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said Corporation shall not be reduced by reason of the said Amendment.

IN WITNESS WHEREOF, LCP Chemicals & Plastics, Inc. has caused its corporate seal to be hereunto affixed and this Certificate to be signed by its Chairman of the Board and attested by its Secretary, this 22 day of December, 1987.

ATTEST:

John Kandravy, Secretary

LCP CHEMICALS & PLASTICS, INC.

By: C. A. Hansen, Jr.
Chairman of the Board

State of Delaware

# Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF LCP CHEMICALS & PLASTICS, INC. FILED IN THIS OFFICE ON THE SECOND DAY OF MARCH, A.D. 1987, AT 10 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 2345561

DATE: 09/21/1989

729264043

# CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION OF LCP CHEMICALS & PLASTICS, INC.

LCP Chemicals & Plastics, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

First: That at a meeting of the Board of Directors of LCP Chemicals & Plastics, Inc., resolutions were duly adopted setting forth proposed amendments to the Restated Certificate of Incorporation of said Corporation, declaring said amendments to be advisable and directing that the proposed amendments be submitted to the shareholders of said Corporation for consideration thereof. The resolutions setting forth the proposed amendments are as follows:

> RESOLVED, that the Restated Certificate of Incorporation of the Corporation be amended by adding thereto a new Article 10 to read as follows:
>
> "No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision shall not be deemed to eliminate or limit the personal liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit."
>
> FURTHER RESOLVED, that the Restated Certificate of Incorporation of the Corporation be amended by adding thereto a new Article 11 to read as follows:

"Each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said Law permitted the Corporation to provide prior to such amendment), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such person in connection therewith; provided, however, that the Corporation shall indemnify any such person seeking indemnity in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred herein shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such Proceeding in advance of its final disposition; provided, however, that if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an em-

ployee benefit plan) in advance of the final disposition of such Proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Article or otherwise.

The rights conferred on any person by this Article shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-laws, agreement, vote of stockholders or disinterested directors, or otherwise.

The Corporation may maintain insurance, at its expense, to protect itself and any such director or officer of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law."

FURTHER RESOLVED, that the above proposed amendments be submitted to the stockholders for their approval as required by law.

FURTHER RESOLVED, that upon approval of the above proposed amendments by the stockholders of the Corporation, the proper officers of this Corporation be and they are hereby authorized and directed to file the necessary Certificate effecting said Amendments with the Secretary of State of the State of Delaware and to cause a copy thereof, certified by said Secretary of State, to be recorded with the Recorder of Deeds of New Castle County, Delaware, and also to file the necessary documents, if any, concerning said Amendments with the appropriate filing officers in all jurisdictions where the Corporation has heretofore qualified to do business as a

SECOND: In lieu of a meeting and vote of stockholders, stockholders owning not less than a majority of the outstanding capital stock entitled to vote have given written consent to said Amendments in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware, and written notice of the adoption of the Amendment has been given as provided in Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

THIRD: That said amendments were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said Corporation shall not be reduced by reason of said amendments.

IN WITNESS WHEREOF, LCP Chemicals & Plastics, Inc. has caused its corporate seal to be hereunto affixed and this Certificate to be signed by its Chairman of the Board, and attested by its Secretary, this 24th day of February, 1987.

ATTEST:

John Kandravy, Secretary

[SEAL]

LCP CHEMICALS & PLASTICS, INC.

By: C.A. Hansen, Jr.,
Chairman of the Board

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CHANGE OF LOCATION OF REGISTERED OFFICE OF THE COMPANIES REPRESENTED BY "THE CORPORATION TRUST COMPANY", AS IT APPLIES TO "LCP CHEMICALS & PLASTICS, INC." AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-SEVENTH DAY OF JULY, A.D. 1984, AT 4:30 O'CLOCK P.M.

729264042

Michael Harkins, Secretary of State

AUTHENTICATION: 2345558

DATE: 09/21/1989

FILED

4:30 P.M.

JUL 27 1984

CERTIFICATE OF CHANGE OF ADDRESS OF

REGISTERED OFFICE AND OF REGISTERED AGENT

PURSUANT TO SECTION 134 OF TITLE 8 OF THE DELAWARE CODE

To: DEPARTMENT OF STATE
Division of Corporations
Townsend Building
Federal Street
Dover, Delaware 19903

Pursuant to the provisions of Section 134 of Title 8 of the Delaware Code, the undersigned Agent for service of process, in order to change the address of the registered office of the corporations for which it is registered agent, hereby certifies that:

1. The name of the agent is: The Corporation Trust Company

2. The address of the old registered office was:

100 West Tenth Street
Wilmington, Delaware 19801

3. The address to which the registered office is to be changed is:

Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

The new address will be effective on July 30, 1984.

4. The names of the corporations represented by said agent are set forth on the list annexed to this certificate and made a part hereof by reference.

IN WITNESS WHEREOF, said agent has caused this certificate to be signed on its behalf by its Vice-President and Assistant Secretary this 25th day of July, 1984.

THE CORPORATION TRUST COMPANY
(Name of Registered Agent)

By Virginia Cahill
(Vice-President)

ATTEST:

(Assistant Secretary)

STATE OF DELAWARE - DIVISICN OF CORPORATIONS

CHANGE OF ADDRESS FILING FCR

CORPURATION TRUST AS OF JULY 27,1984

DOMESTIC

0777140 LCP CHEMICALS & PLASTICS, INC. 12/13/1971 D DE

# State of Delaware

## Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF RESTATED CERTIFICATE OF INCORPORATION OF LCP CHEMICALS & PLASTICS, INC. FILED IN THIS OFFICE ON THE FOURTH DAY OF JUNE, A.D. 1984, AT 10:01 O'CLOCK A.M.

Michael Harkins, Secretary of State

AUTHENTICATION: 2345553

DATE: 09/21/1989

729264042

6/7/84

# RESTATED CERTIFICATE OF INCORPORATION

# OF

# LCP CHEMICALS & PLASTICS, INC.

The undersigned, having filed its original Certificate of Incorporation, under the name of Linden Chlorine Products, Inc., with the Secretary of State of the State of Delaware on December 13, 1971, thereby forming a corporation under and pursuant to the provisions of the General Corporation Law of the State of Delaware, does hereby restate its Certificate of Incorporation and certify as follows:

1. The Name of the Corporation is LCP Chemicals & Plastics, Inc.

2. The address of its registered office in the State of Delaware is No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. The nature of the business or purposes to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

To manufacture, purchase or otherwise acquire, invest in, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with goods, wares and merchandise and personal property of every class and description.

To acquire, and pay for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trade-marks and trade names, relating to or useful in connection with any business of this corporation.

To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds, debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporations, joint stock companies, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To borrow or raise moneys for any of the purposes of the corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of the corporation's property and assets, or any interest therein wherever situated.

In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of Delaware or by any other law of Delaware or by this certificate of incorporation together with any powers incidental thereto, so far as such powers and privileges are necessary.

4. The total number of shares which the Corporation shall have authority to issue is (a) four million (4,000,000) shares of Common Stock with a par value of ten cents ($.10) per share ("Common Stock"), (b) seven hundred thousand (700,000) shares of Class B Common Stock with a par value of ten cents ($.10) per share ("Class B Common Stock")

and (c) one million (1,000,000) shares of Preferred Stock with a par value of ten cents ($.10) per share ("Preferred Stock").

Shares of the authorized capital stock may be issued from time to time for such consideration, not less than the par value thereof in the case of stock with par value, as may be fixed from time to time by the Board of Directors.

Except as herein otherwise expressly provided all shares of Common Stock, Non-Voting Common Stock and Class B Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

When and as dividends are declared thereon, whether payable in cash, in property or in securities of the Corporation, the holders of Common Stock, Non-Voting Common Stock and Class B Common Stock shall be entitled to share equally, share for share, in such dividends, except that if dividends are declared which are payable in shares of Common Stock, Non-Voting Common Stock or Class B Common Stock, dividends shall be declared which are payable at the same rate on each class of stock and the dividends payable in shares of Common Stock shall be payable to holders of that class of stock, the dividends payable in shares of Non-Voting Common Stock shall be payable to holders of that class of stock and the dividends payable in shares of Class B Common Stock shall be payable to holders of that class of stock.

Subject to and upon compliance with the provisions of this Article 4, each record holder of Class B Common Stock (other than The Prudential Insurance Company of America) shall be entitled at any time and from time to time to convert each share of Class B Common Stock held by such holder into one share of Common Stock.

Each conversion of shares of Class B Common Stock into Common Stock shall be effected by the surrender of the certificate or certificates representing shares of Class B Common Stock to be converted at the principal office of the Corporation (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holder or holders of the Class B Common Stock) at any time during its usual business hours, together with written notice by the holder of such Class B Common Stock stating that such holder desires to convert the shares, or a stated number of the shares, of Class B Common Stock represented by such certificate or certificates into Common Stock, which notice shall also state the name or names (with addresses) and denominations in which the certificate or certificates for Common Stock shall be issued and shall include instructions for delivery thereof. Promptly after such surrender

and the receipt of such written notice, the Corporation shall issue and deliver in accordance with such instructions the certificate or certificates for the Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected as of the close of business on the date on which such time the rights of the holder of such Class B Common Stock (or specified portion thereof) as such holder shall cease and the person or persons in whose name or names the certificate or certificates for shares of Common Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

If the Corporation shall in any manner subdivide or combine the outstanding shares of the Common Stock, the Non-Voting Common Stock or the Class B Common Stock, the outstanding shares of the other class shall be proportionately subdivided or combined.

Shares of Class B Common Stock which are converted into shares of Common Stock as provided herein shall not be reissued.

The Corporation will at all times reserve and keep available out of its authorized but unissued shares of Common Stock or its treasury shares, solely for the purpose of issue upon the conversion of the Class B Common Stock as provided in this Article 4, such number of shares of Common Stock as shall then be issuable upon the conversion of the then outstanding shares of Class B Common Stock (whether or not such shares are held by The Prudential Insurance Company of America). The Corporation covenants that all shares of Common Stock which shall be so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges. The Corporation will take all such action as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or regulation or any requirements of any domestic stock exchange upon which shares of Common Stock may be listed.

If any shares of Common Stock required to be reserved for purposes of conversion of the Class B Common Stock hereunder require registration or approval of any governmental authority under any Federal or state law (other than any registration under the Securities Act of 1933, as then in effect, or any similar Federal statute then in force, or any state securities law, required by reason of any transfer involved in such conversion), or listing on any domestic securities exchange, before such shares may be issued upon conversion, the Corporation shall, at its expense and as expeditiously as possible, use its best efforts to cause such shares to be duly registered or approved for

listing or listed on such domestic securities exchange, as the case may be.

The issuance of certificates for shares of Common Stock upon conversion of shares of Class B Common Stock shall be made without charge to holders of such shares of Class B Common Stock for any issuance tax in respect thereof, or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock; provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the Class B Common Stock converted.

The Company will not close its books against the transfer of any shares of Class B Common Stock.

The Corporation shall keep at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of shares of Common Stock, Non-Voting Common Stock or Class B Common Stock. Upon the surrender of any certificate representing shares of Common Stock, Non-Voting Common Stock or Class B Common Stock at such place, the Corporation shall, at the request of the registered holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares of such class represented by the surrendered certificate (and the Corporation forthwith shall cancel such surrendered certificate), subject to the requirements of applicable securities laws. Each such new certificate shall be registered in such name and shall represent such number of shares of such class as shall be requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate.

Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder, without bond, shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of Common Stock, Non-Voting Common Stock or Class B Common Stock and, in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is an institutional investor, its own agreement of indemnity shall be satisfactory) or, in the case of any such mutilation, upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated

certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

The term "outstanding" when used in this Article 4 with reference to the shares of Common Stock, Non-Voting Common Stock or Class B Common Stock as of any particular time shall not include any such shares represented by any certificate in lieu of which a new certificate has been executed and delivered by the Corporation in accordance with this Article 4 but shall include only those shares represented by such new certificate.

Except as otherwise provided by law, the holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the stockholders of the Corporation, the holders of Non-Voting Common Stock and Class B Common Stock shall have no right to vote on any matters to be voted on by the stockholders of the Corporation (including without limitation, any election or removal of the directors of the Corporation) and the Non-Voting Common Stock and Class B Common Stock shall not be included in determining the number of shares voting or entitled to vote on such matters; provided that the holders of Class B Common Stock shall be included in determining the number of shares voting or entitled to vote on, and shall be entitled to one vote per share on, any consolidation or merger of the Corporation with or into any other corporation or corporations, any sale of all or substantially all of the Corporation's assets, any liquidation, dissolution or winding-up of the Corporation, and any amendment to the Certificate of Incorporation or By-Laws of the Corporation to be voted on by the stockholders of the Corporation; and provided further that no amendment, modification or waiver of any provision of this subdivision (or the number of shares required to approve such amendment, modification or waiver) shall be effective without the prior written consent of the holders of at least 90% of the Class B Common Stock outstanding at the time such change shall be made.

The Board of Directors is authorized, by resolutions duly adopted and filed as amendments to this Certificate of Incorporation, at any time and from time to time, to divide, and to cause the issuance of, the Preferred Stock in one or more series and to determine the designation of each series and the relative voting, dividend, liquidation, and other rights, preferences, and limitations of the shares of each series, including (but without limiting the generality of the foregoing) the following:

(1) The designation of such series;

(2) The number of shares constituting such series;

(3) The rate and times at which, and the terms and conditions on which, dividends on shares of such series will be paid, and the status of such dividends as cumulative or noncumulative and as participating or non-participating;

(4) The right, if any, of the holders of shares of such series to convert the same into, or exchange the same for, shares of other classes or series of stock of the Corporation and the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion price or rate in such events as the Board of Directors shall determine;

(5) The redemption price or prices and the time or times, at which, and the terms and conditions on which, shares of such series may be redeemed;

(6) The rights of the holders of shares of such series upon the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation;

(7) The terms or amount of any sinking fund provided for the purchase or redemption of the shares of such series; and

(8) The voting rights of the holders of shares of such series, including whether such series shall have no voting rights, or multiple, full, limited or special voting rights.

Before any dividends shall be paid on the Common Stock, Non-Voting Common Stock or Class B Common Stock, shares of Preferred Stock of any series shall be entitled to receive dividends at the rate, if any, established for such series. Before any distribution is made with respect to the Common Stock, Non-Voting Common Stock or Class B Common Stock upon dissolution, liquidation, or winding-up of the affairs of the Corporation, shares of Preferred Stock of any series shall be entitled to receive the amount, if any, payable upon dissolution, liquidation, or winding-up of the affairs of the Corporation established for such series. All shares of any one series of Preferred Stock shall be alike in every particular except that, in the case of a series entitled to cumulative dividends, shares issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

PREFERRED STOCK DESIGNATED AS
"SERIES C PREFERRED STOCK"

1. Designation. One hundred fifty-one thousand seven hundred forty-nine (151,749) shares of the Preferred Stock of the Corporation shall constitute a series of Preferred Stock designated as "Series C Preferred Stock" (hereinafter called the "Series C Preferred Stock").

2. Dividends. In each year the holders of shares of Series C Preferred Stock shall be entitled to receive, before any dividends shall be paid or set aside for the Common Stock in such year, when and as declared by the Board of Directors of the Corporation and (if Manufacturers Hanover Trust Company is then a lender to the Corporation) consented to by Manufacturers Hanover Trust Company, which consent shall not be unreasonably withheld, out of funds legally available for that purpose, dividends at the rate of $1.80 per annum, and no more, payable quarterly on the first days of June, September, December and March in each year (each such day being hereinafter called a "Dividend Date" and each quarterly period ending with a dividend date being hereinafter called a "Dividend Period"), commencing September 1, 1981; and such dividends upon the Series C Preferred Stock shall be cumulative (whether or not in any Dividend Period or Periods there shall be funds of the Corporation legally available for the payment of such dividends), so that, if at any time dividends upon the outstanding Series C Preferred Stock from May 1, 1981 to the end of the then current Dividend Period shall not have been paid or declared and a sum sufficient for the payment thereof set apart for such payment, the amount of the deficiency shall be fully paid, but without interest, or dividends in such amount declared and a sum sufficient for the payment thereof set apart for such payment, before any sum or sums shall be set aside for the redemption of Series C Preferred Stock and before any dividend shall be declared or paid upon or set apart for, or any other distribution shall be ordered or made in respect of, or any payment shall be made on account of the purchase of the Common Stock. "Common Stock", as used herein, shall include Corporation's Voting Common Stock and Class B Common Stock.

3. Rights on Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of any stock ranking on liquidation junior to the Series C Preferred Stock (with respect to rights on liquida-

tion, dissolution or winding up, the Series C Preferred Stock shall rank prior to the Common Stock) an amount equal to $30.00 per share. If upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amounts to which they respectively shall be entitled, the holders of shares of Series C Preferred Stock and any class of Stock ranking on liquidation on a parity with the Series C Preferred Stock shall share ratably in any distribution of assets according to the respective amounts which would be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full. In the event of any liquidation, dissolution or winding up of the Corporation after payment shall have been made to the holders of shares of Series C Preferred Stock and any class of stock ranking on liquidation on a parity with the Series C Preferred Stock of the full amount to which they shall be entitled as aforesaid, the holders of any class or classes of stock ranking on liquidation junior to the Series C Preferred Stock shall be entitled, to the exclusion of the holders of shares of Series C Preferred Stock, to share, according to their respective rights and preferences, in all remaining assets of the Corporation available for distribution to its stockholders. The merger or consolidation of the Corporation into or with another corporation, the merger or consolidation of any other corporation into or with the Corporation, or the sale, transfer, mortgage, pledge or lease of all or substantially all the assets of the Corporation shall not be deemed to be a liquidation, dissolution or winding up of the Corporation.

4. Non-Voting. The holders of shares of Series C Preferred Stock shall not possess any voting rights or powers.

5. Redemption. (a) So long as any shares of Series C Preferred Stock are outstanding, the Corporation may, at the option of its Board of Directors, at any time or from time to time, redeem the whole or any part of such Series C Preferred Stock. Any redemption pursuant to this paragraph (a) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed. If less than all the shares of Series C Preferred Stock at any time outstanding shall be called for redemption pursuant to this paragraph (a) of this Section 5, the redemption shall be made pro rata with respect to such shares among the holders thereof. The total sum so payable per share on any such redemption is herein referred to as the "Redemption Price", and the date of redemption is herein referred to as the "Redemption Date".

(b) In addition to redemption pursuant to paragarph (a) of this Section 5, the Corporation shall within four months after the end of each fiscal year use an amount (to the nearest $1,000) equal to 25% (or, if dividends on the Series C Preferred Stock are not then current, 30%) of the Net Cash Flow of the Corporation for such fiscal year first to bring any dividends on the Series C Preferred Stock which are then in arrears current and then to redeem such number of shares of Series C Preferred Stock as is possible. As used in this paragraph (b), the term "Net Cash Flow" for any fiscal year shall mean the excess, if any, of (i) the consolidated net income after taxes of the Corporation and its subsidiaries for such fiscal year as determined from the audited financial statements of the Corporation and its subsidiaries plus the amount of depreciation deducted by the Corporation and its subsidiaries in determining its consolidated net income for such fiscal year over (ii) the sum of (1) the aggregate amount of payments made by the Corporation and its subsidiaries during such fiscal year on account of the principal of its long-term indebtedness, which indebtedness was outstanding on May 1, 1981, and also on account of the principal of the $7,000,000 loan to be made by Manufacturers Hanover Trust Company in connection with the repurchase by the Corporation of certain shares of its capital stock from Sprout Capital Group II, The Franklin Corporation and J. Henry Schroder Corporation and (2) the aggregate amount of capital expenditures made by the Corporation and its subsidiaries during such fiscal year. Corporation's calculation with respect to "Net Cash Flow" shall be delivered to Sprout Capital Group II, The Franklin Corporation and J. Henry Schroder Corporation within such four months after the end of each fiscal year. Any redemption pursuant to this paragraph (b) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed. If less than all of the shares of Series C Preferred Stock at any time outstanding shall be called for redemption pursuant to this paragraph (b) of this Section 5, the redemption shall be made pro rata with respect to such shares among the holders thereof.

(c) In addition to the redemption pursuant to paragraph (a) or paragraph (b) of this Section 5, the Corporation shall redeem all of the Series C Preferred Stock at or prior to the closing of any of the following transactions unless prior thereto the Corporation has received the written consent of Sprout Capital Group II: the merger or consolidation of the Corporation with or into another corporation; the sale of all or substantially all of the assets of the Corporation; or the public offering of any of the shares of the Corporation's Capital Stock by the Corporation or by any shareholders holding more than 10 percent in the aggregate of any class of the Corporation's Capital Stock. The

redemption pursuant to this paragraph (c) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed.

(d) In addition to the redemption pursuant to paragraph (a) or paragraph (b) or paragraph (c) of this Section 5, the Corporation shall on April 30, 1988, redeem all shares of Series C Preferred Stock outstanding as of April 30, 1988. The redemption pursuant to this paragraph (d) of this Section 5 shall be at a redemption price equal to $30.00 per share, plus an amount equal to the full cumulative dividends declared but not yet paid on the shares of Series C Preferred Stock being redeemed.

(e) Notice of every redemption pursuant to this Section 5 shall be sent by first-class mail, postage prepaid, to the holders of record of the shares of Series C Preferred Stock so to be redeemed at their respective addresses as the same shall appear on the books of the Corporation. Such notice shall be mailed not less than 10 days in advance of the Redemption Date to the holders of record of shares so to be redeemed. On and after the Redemption Date, unless default shall be made by the Corporation in providing monies for the payment of the Redemption Price, all rights of the holders of shares of Series C Preferred Stock to be redeemed as stockholders of the Corporation, except the right to receive the Redemption Price, shall cease and terminate. At any time on or after the Redemption Date, the holders of record of shares of Series C Preferred Stock to be redeemed shall be entitled to receive the Redemption Price upon actual delivery to the Corporation of certificates for the shares to be redeemed, such certificates, if required by the Corporation, to be properly stamped for transfer and duly endorsed in blank or accompanied by proper instruments of assignment and transfer thereof duly executed in blank. Any monies deposited with the transfer agent, or other redemption agent, for the redemption of any shares of Series C Preferred Stock which shall not be claimed after six years from the Redemption Date, shall be repaid to the Corporation by such agent on demand, and the holder of any such shares of Series C Preferred Stock shall thereafter look only to the Corporation for any payment to which such holder may be entitled.

(f) So long as any shares of Series C Preferred Stock are outstanding, the Corporation shall not create any class of its Preferred Stock with liquidation or dividend rights on a parity with or senior to the Series C Preferred Stock, except with the written consent of Sprout Capital Group II.

6. Financial Statements. The Corporation covenants that, so long as any of the shares of Class C Preferred Stock are outstanding, it will deliver to each of the holders thereof:

(a) as soon as practicable and in any event within 45 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidating and consolidated statements of earnings, retained earnings and changes in financial position of the Corporation and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and, a consolidating and consolidated balance sheet of the Corporation and its Subsidiaries as at the end of such quarterly period, all in reasonable detail and certified by an authorized financial officer of the Corporation, subject to changes resulting from year-end adjustments;

(b) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidating and consolidated statements of earnings, retained earnings and changes in financial position of the Corporation and its Subsidiaries for such year, and a consolidating and consolidated balance sheet of the Corporation and its Subsidiaries as at the end of such year, setting forth in each case in comparative form the corresponding figures from the preceding annual audit, all in reasonable detail and reported upon by independent public accountants of recognized standing selected by the Corporation; and

(c) as soon as practicable, copies of all such financial statements and reports as the Corporation shall send to its shareholders and of all registration statements and all regular or periodic reports which it files with the Securities and Exchange Commission or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission.

(d) Each holder of shares of Series C Preferred Stock of the Corporation agrees that such holder shall use all reasonable precautions to maintain all of the foregoing financial information relating to the Corporation and its subsidiaries in confidence and not to disclose the same to any third party.

5. The Corporation is to have perpetual existence.

6. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To make, alter or repeal the By-Laws of the Corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation.

To set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

By a majority of the whole Board, to designate one or more Committees, each Committee to consist of one or more of the Directors of the Corporation. The Board may designate one or more Directors as alternate members of any Committee, who may replace any absent or disqualified member at any meeting of the Committee. The By-Laws may provide that in the absence or disqualification of a member of the Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such Committee, to the extent provided in the resolution of the Board of Directors, or in the By-Laws of the Corporation, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such Committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the By-Laws of the Corporation; and, unless the resolution or By-Laws expressly so provide, no such Committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

When and as authorized by the stockholders in accordance with statute, to sell, lease or exchange all or substantially all of the property and assets of the Corporation, including its good will and its corporate franchises, upon such terms and conditions and for such consideration,

which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of the Corporation.

7. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

8. Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the corporation. Elections of Directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

9. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

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This restated Certificate of Incorporation was duly adopted by the directors of the Corporation in accord-

ance with the provisions of Section 245 of the General Corporation Law of the State of Delaware. It only restates and integrates and does not further amend the provisions of the Corporation's Certificate of Incorporation as heretofore amended or supplemented. There is no discrepancy between those provisions and the provisions of this restated Certificate of Incorporation.

IN WITNESS WHEREOF, LCP Chemicals & Plastics, Inc. has caused this restated Certificate of Incorporation to be signed in its corporate name by its Chairman of the Board of Directors and its corporate seal to be affixed hereto and attested by its Secretary this 30th day of May, 1984.

LCP CHEMICALS & PLASTICS, INC.

By _____
Chairman of the Board
of Directors

ATTEST:

By _____
Secretary

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# State of DELAWARE

## Office of SECRETARY OF STATE

I, Glenn C. Kenton, Secretary of State of the State of Delaware, do hereby certify that the attached is a true and correct copy of Certificate of Ownership filed in this office on March 8, 1982.

Glenn C. Kenton

*Glenn C. Kenton, Secretary of State*

BY: E. Curran

DATE: March 8, 1982

Form 130

FILED

MAR 8 1982 2PM

Glenn C. Kenton

SECRETARY OF STATE

# CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

LCP CHEMICALS-GEORGIA, INC.,
a Delaware Corporation,

LCP CHEMICALS-NEW JERSEY, INC.,
a Delaware Corporation,

LCP CHEMICALS-NEW YORK, INC.,
a Delaware Corporation,

LCP CHEMICALS-NORTH CAROLINA, INC.,
a Delaware Corporation,

LCP PLASTICS-OHIO, INC.,
a Delaware Corporation,

LCP PLASTICS-GEORGIA, INC.,
a Delaware Corporation,

LCP PLASTICS-FLORIDA, INC.,
a Delaware Corporation,

WITH AND INTO

LINDEN CHEMICALS & PLASTICS, INC.,
a Delaware Corporation,

UNDER THE NAME OF

LCP CHEMICALS & PLASTICS, INC.

Pursuant to the provisions of Section 253 of the General Corporation Law of the State of Delaware, LINDEN CHEMICALS & PLASTICS, INC. ("LCP"), a Delaware Corporation, does hereby execute this Certificate of Ownership and Merger for the purpose of merging LCP CHEMICALS-GEORGIA, INC., LCP CHEMICALS-NEW JERSEY, INC., LCP CHEMICALS-NEW YORK, INC., LCP CHEMICALS-NORTH CAROLINA, INC., LCP Plastics-Ohio, Inc., LCP Plastics-Georgia, Inc., and LCP PLASTICS-FLORIDA, INC., all of which are Delaware corporations (hereinafter referred to as the "Subsidiaries"), with and into LCP and to this

end,

DOES HEREBY CERTIFY:

FIRST: That LCP was incorporated on the 13th day of December, 1971, pursuant to the General Corporation Law of the State of Delaware.

SECOND: That LCP owns all of the outstanding shares of stock of LCP CHEMICALS-GEORGIA, INC., LCP CHEMICALS-NEW JERSEY, INC., LCP CHEMICALS-NEW YORK, INC., and LCP CHEMICALS-NORTH CAROLINA, INC., all of which corporations were incorporated on the 24th day of September, 1979 pursuant to the General Corporation Law of the State of Delaware.

THIRD: That LCP owns all of the outstanding shares of stock of LCP Plastics-Ohio, Inc., a corporation incorporated on the 27th day of September, 1977, pursuant to the General Corporation Law of the State of Delaware.

FOURTH: That LCP owns all of the outstanding shares of stock of LCP Plastics-Georgia, Inc., a corporation incorporated on the 23rd day of February, 1981, pursuant to the General Corporation Law of the State of Delaware.

FIFTH: That LCP owns all of the outstanding shares of stock of LCP PLASTICS-FLORIDA, INC., a corporation incorporated on the 6th day of Janaury, 1982, pursuant to the General Corporation Law of the State of Delaware.

SIXTH: That LCP, by the following resolutions duly adopted by the members of its Board of Directors, on the 25th day of February, 1982, determined to and did merge

the Subsidiaries into itself:

RESOLVED, that LCP merge, and it hereby does merge into itself LCP CHEMICALS-GEORGIA, INC., LCP CHEMICALS-NEW JERSEY, INC., LCP CHEMICALS-NEW YORK, INC., LCP CHEMICALS-NORTH CAROLINA, INC, LCP Plastics-Ohio, Inc., LCP Plastics-Georgia, Inc., and LCP PLASTICS-FLORIDA, INC. and assumes all of the obligations and liabilities of each of these corporations; and

FURTHER RESOLVED, that the Plan of Merger merging the Subsidiaries with and into LINDEN CHEMICALS & PLASTICS, INC., a copy of which is annexed hereto as Exhibit A and made a part hereof as if set forth in full, be and the same hereby is adopted and approved; and

FURTHER RESOLVED, that the merger shall become effective as of 5:00 P.M. on the date that a Certificate of Ownership and Merger is filed with the Secretary of State of the State of Delaware; and

FURTHER RESOLVED, that the proper officers of this corporation be and they hereby are directed to make and execute a Certificate of Ownership and Merger setting forth a copy of the resolutions to merge with and into LCP said LCP CHEMICALS-GEORGIA, INC., LCP CHEMICALS-NEW JERSEY, INC., LCP CHEMICALS-NEW YORK, INC., LCP CHEMICALS-NORTH CAROLINA, INC., LCP Plastics-Ohio, Inc., LCP Plastics-Georgia, and LCP PLASTICS-FLORIDA, INC. and assume their liabilities and obligations, and the date of adoption thereof, and to cause the same to be filed with the Secretary of State and a certified copy recorded in the office of the Recorder of Deeds of New Castle County and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in anywise necessary or proper to effect said merger; and

FURTHER RESOLVED, that LCP change its corporate name by changing Article "1" of its Certificate of Incorporation to read as follows:

"The name of the corporation is LCP Chemicals & Plastics, Inc."

SEVENTH: Anything herein or elsewhere to the contrary notwithstanding this merger may be terminated and abandoned by the Board of Directors of LCP at any time prior to the date of filing the merger with the Secretary of State.

IN WITNESS WHEREOF, said LCP has caused this certificate to be signed by C. A. Hansen, Jr., its Chairman of the Board of Directors, President and Chief Executive Officer and attested by John Kandravy, its Secretary, as of the 3rd day of March, 1982.

ATTEST:

John Kandravy, Secretary

LINDEN CHEMICALS & PLASTICS, INC.,
a Delaware corporation

By: _____
C. A. Hansen, Jr.,
Chairman of the Board of
Directors, President and
Chief Executive Officer

the Subsidiaries into itself:

RESOLVED, that LCP merge, and it hereby does merge into itself LCP CHEMICALS-GEORGIA, INC., LCP CHEMICALS-NEW JERSEY, INC., LCP CHEMICALS-NEW YORK, INC., LCP CHEMICALS-NORTH CAROLINA, INC, LCP Plastics-Ohio, Inc., LCP Plastics-Georgia, Inc., and LCP PLASTICS-FLORIDA, INC. and assumes all of the obligations and liabilities of each of these corporations; and

FURTHER RESOLVED, that the Plan of Merger merging the Subsidiaries with and into LINDEN CHEMICALS & PLASTICS, INC., a copy of which is annexed hereto as Exhibit A and made a part hereof as if set forth in full, be and the same hereby is adopted and approved; and

FURTHER RESOLVED, that the merger shall become effective as of 5:00 P.M. on the date that a Certificate of Ownership and Merger is filed with the Secretary of State of the State of Delaware; and

FURTHER RESOLVED, that the proper officers of this corporation be and they hereby are directed to make and execute a Certificate of Ownership and Merger setting forth a copy of the resolutions to merge with and into LCP said LCP CHEMICALS-GEORGIA, INC., LCP CHEMICALS-NEW JERSEY, INC., LCP CHEMICALS-NEW YORK, INC., LCP CHEMICALS-NORTH CAROLINA, INC., LCP Plastics-Ohio, Inc., LCP Plastics-Georgia, and LCP PLASTICS-FLORIDA, INC. and assume their liabilities and obligations, and the date of adoption thereof, and to cause the same to be filed with the Secretary of State and a certified copy recorded in the office of the Recorder of Deeds of New Castle County and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in anywise necessary or proper to effect said merger; and

FURTHER RESOLVED, that LCP change its corporate name by changing Article "1" of its Certificate of Incorporation to read as follows:

PLAN OF MERGER

MERGING

LCP CHEMICALS-GEORGIA, INC.,
a Delaware Corporation,

LCP CHEMICALS-NEW JERSEY, INC.,
a Delaware Corporation,

LCP CHEMICALS-NEW YORK, INC.,
a Delaware Corporation,

LCP CHEMICALS-NORTH CAROLINA, INC.,
a Delaware Corporation,

LCP PLASTICS-OHIO, INC.,
a Delaware Corporation,

LCP PLASTICS-GEORGIA, INC.,
a Delaware Corporation,

LCP PLASTICS-FLORIDA, INC.,
a Delaware Corporation,

WITH AND INTO

LINDEN CHEMICALS & PLASTICS, INC.,
a Delaware Corporation,

UNDER THE NAME OF

LCP CHEMICALS & PLASTICS, INC.

1. LCP CHEMICALS-GEORGIA, INC., LCP CHEMICALS-NEW JERSEY, Inc., LCP CHEMICALS-NEW YORK, INC., LCP CHEMICALS-NORTH CAROLINA, INC., LCP Plastics-Ohio, Inc., LCP Plastics-Georgia, Inc. and LCP PLASTICS-FLORIDA, INC., all of which are Delaware corporations (hereinafter referred to as the "Subsidiaries") shall be merged with and into LINDEN CHEMICALS & PLASTICS, INC., a Delaware corporation ("LCP"), which shall be the surviving corporation, effective as of 5:00 P.M. on the date the Certificate of Ownership and Merger is filed with the Secretary of State of Delaware (hereinafter

referred to as the "effective date of the merger").

2. Each of the Subsidiaries has authority to issue 1,000 shares of stock, no par value, and has 100 shares of Common Stock outstanding. The outstanding shares of stock of each of the Subsidiaries are owned entirely by LCP.

3. The terms and conditions of the merger are as follows:

(a) The Subsidiaries shall be merged into LCP pursuant to the provisions of Section 253 of the General Corporation Law of Delaware, and the constituent corporations shall become a single corporation and LCP shall be the surviving corporation. The separate existences of the Subsidiaries shall cease on the effective date of the merger.

(b) On the effective date of the merger, pursuant to the provisions of Section 253(b) of the General Corporation Law of Delaware, the name of LCP shall be changed to "LCP Chemicals & Plastics, Inc." and that shall be the name of the surviving corporation; Article One of the Articles of Incorporation of LCP shall be amended accordingly to read as follows: "The name of the Corporation is LCP Chemicals & Plastics, Inc."

(c) The Certificate of Incorporation and the Bylaws of LCP as presently in effect, except as amended in Paragraph 2(b) hereof, shall become the Certificate of Incorporation and the Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incor-

poration and Bylaws until amended as provided by law. The duly qualified and acting directors and officers of LCP immediately prior to the effective date of the merger shall be the directors and officers of the surviving corporation.

(d) The identity, existence, rights, privileges, powers, immunities, purposes, and franchises, as well of a public as of a private nature, of LCP shall continue unaffected and unimpaired by the merger, and all the rights, privileges, powers, immunities, franchises and authority, as well of a public as of a private nature, of the Subsidiaries to the extent consistent with the Certificate of Incorporation of LCP shall be merged into LCP and property of every description and every interest therein of the Subsidiaries shall thereafter be taken and deemed to be transferred to and vested in LCP.

(e) All property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in actions, and all and every other interest, of or belonging to or due to both the Subsidiaries and LCP shall be taken and deemed to be transferred to and vested in LCP as the surviving corporation without further act or deed, and the title to any real estate, or any interst therein, vested in either the Subsidiaries or LCP shall not revert or be in any way impaired by reason of the merger.

(f) LCP as the surviving corporation shall be responsible and liable for all of the obligations and lia-

bilities of the Subsidiaries and LCP, and any claim existing or action or proceeding pending by or against any of the Subsidiaries or LCP may be prosecuted to judgment against it as if the merger had not taken place. Neither the rights of creditors nor any liens upon, or security interest in, the property of either the Subsidiaries of LCP shall be impaired by the merger.

(g) All shares of stock of the Subsidiaries now issued and outstanding shall be cancelled effective as of the effective date of the merger.

4. This Plan of Merger was approved by the Board of Directors of LCP on February 25, 1982. Pursuant to Section 253 of the General Corporation Law of Delaware, the Plan of Merger needs no further approval. A Certificate of Ownership and Merger as required by Section 253(a) of the Delaware General Corporation Law shall be filed in the Office of the Secretary of State of the State of Delaware by the proper officers of LCP at such time as they shall in their judgment determine.

5. This Plan of Merger shall be governed by and construed in accordance with the laws of the State of Delaware, when applicable.

IN WITNESS WHEREOF, the Board of Directors of LCP

has authorized this Plan of Merger to be signed by LCP's Chairman of the Board of Directors, President and Chief Executive Officer and attested by LCP's Secretary.

ATTEST:

John Kandravy, Secretary

LINDEN CHEMICALS & PLASTICS, INC.,
a Delaware corporation

By: _____
C. A. Hansen, Jr.,
Chairman of the Board of
Directors, President and
Chief Executive Officer

RECEIVED FOR RECORD

MAR 8 1982

LEO J. DUGAN, Jr., Recorder

PLEASE RETURN TO
THE CORPORATION TRUST COMPANY

RECEIVED FOR RECORD

MAR 8 1982

LEO J. DUGAN, Jr., Recorder

60—

**ATTACHMENT TO QUESTION # 3**

39372

BARGAIN AND SALE DEED
(Covenants against Grantor)

THIS DEED, made this 24th day of August, 1972, between GAF CORPORATION, a Delaware corporation, with an office at 140 West 51st Street, New York, New York 10020, hereinafter called "GRANTOR", and LINDEN CHLORINE PRODUCTS, INC., a Delaware corporation, with an office at Foot of South Wood Avenue (P.O. Box 484) Linden, New Jersey, 07036 hereinafter called "GRANTEE";

WITNESSETH, That the said GRANTOR, for and in consideration of the sum of Five Hundred Thirty One Thousand ($531,000) Dollars to it in hand paid by the GRANTEE, at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, doth grant and convey unto the said GRANTEE, and to its successors and assigns forever, all those certain tracts or parcels of land and premises situate in the City of Linden in the County of Union, and State of New Jersey, described in Exhibit A attached hereto and forming part hereof and which are hereinafter sometimes referred to collectively as the "Premises."

TOGETHER and with all and singular the buildings, improvements, ways, waters, profits, rights, privileges and advantages with the appurtenances to the same belonging or in any wise appertaining;

COUNTY OF UNION
CONSIDERATION 531,000.-
REALTY TRANSFER FEE 531.-
DATE 8-25-72 BY

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ALSO all the estate, right, title, interest, property, claim and demand, whatsoever, of the GRANTOR of, in and to the same and of, in and to every part and parcel thereof which is hereby conveyed to the GRANTEE.

SUBJECT TO THE FOLLOWING:

1. Facts disclosed by survey by Grassmann, Kreh & Mixer, dated February 15, 1972, latest revision dated June 14, 1972.

2. Matters set forth in Exhibit B attached hereto and forming part hereof.

3. Rights or estate, if any, of the United States of America in and to that portion of the property lying waterward of the high water mark of Arthur Kill. Rights or estate, if any, of the State of New Jersey in lands and creeks lying below the original mean high water mark or to that portion of the property deemed to be meadowlands heretofore flowed by tide.

TO HAVE AND TO HOLD, all and singular, the abovementioned and described premises, together with the appurtenances, unto the said GRANTEE, its successors and assigns forever, subject as aforesaid.

AND the said GRANTOR covenants with the said GRANTEE, its successors and assigns that it has not made, done, committed,

executed or suffered any act or acts, thing or things whatsoever, whereby or by means whereof the above mentioned and described premises, or any part or parcel thereof, now are, or at any time hereafter shall or may be impeached, charged or encumbered, in any manner or way whatsoever, except and subject as aforesaid.

IN WITNESS WHEREOF, the GRANTOR has hereunto caused its corporate seal to be affixed and these presents to be signed by its duly authorized officers the day and year first above written.

GAF CORPORATION

By _____
T. A. Dent
Vice President

ATTEST:

_____
Secretary

CORPORATE SEAL 1929 DELAWARE

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# EXHIBIT A

Description of Property to be Conveyed
to Linden Chlorine Products, Inc.
by GAF Corporation
City of Linden, Union County, New Jersey

BEGINNING at the terminus of the Second Course of the Second Tract in a deed from Central Railroad Company of New Jersey to General Aniline & Film Corporation dated January 19, 1967, and recorded on January 20, 1967 in Deed Book 2794 on Page 745 in the Union County Register's Office; Thence

(1) North 58°-57'-30" East, seventeen feet (17.00) to a point;

Thence (2) North 31°-02'-30" West, three hundred ten feet and fifty eight one-hundredths of a foot (310.58) to a point;

Thence (3) North 28°-58'-40" West, eighty seven feet and seven one-hundredths of a foot (87.07) to a point of curve;

Thence (4) Curving to the right along a curve having a Radius of three hundred forty feet and ninety one one-hundredths of a foot (340.91) an arc distance of one hundred fifty three feet and twenty five one-hundredths of a foot (153.25) to a point of tangency;

Thence (5) North 3°-13'-20" West, sixty nine feet and thirty two one-hundredths of a foot (69.32) to a point;

Thence (6) Curving to the right along a curve having a Radius of one thousand four hundred seven feet and sixty nine one-hundredths of a foot (1,407.69) an arc distance of one hundred ninety five feet and seventy one one-hundredths of a foot (195.71) to a point;

Thence (7) North 75°-50'-28" East, two hundred nineteen feet and seventy four one-hundredths of a foot (219.74) to a point;

Thence (8) South 64°-52'-17" East, nine hundred eighty three feet and twelve one-hundredths of a foot (983.12) to a point in the Pierhead and Bulkhead line of the Arthur Kill;

Thence (9) North 2°-42'-17" West, along the said Pierhead and Bulkhead line of the Arthur Kill, eighty six feet and forty one-hundredths of a foot (86.40) to a point;

Thence (10) North 18°-11'-43" East, continuing along the said Pierhead and Bulkhead line of the Arthur Kill, forty three feet and ninety two one-hundredths of a foot (43.92) to a point;

Thence (11) North 64°-52'-17" West, six hundred five feet and twenty seven one-hundredths of a foot (605.27) to a point of curve;

Thence (12) Curving to the right along a curve having a Radius of two hundred fifty feet (250.00) an arc distance of one hundred ninety five feet and forty two one-hundredths of a foot (195.42) to a point of tangency;

Thence (13) North 20°-05' West, five hundred seventy five feet and one one-hundredth of a foot (575.01) to a point;

Thence (14) North 74°-55' West, two hundred six feet and nineteen one-hundredths of a foot (206.19) to a point;

Thence (15) North 15°-05' East, one hundred sixty four feet and forty one-hundredths of a foot (164.40) to a point;

Thence (16) North 74°-52' West, three hundred seventy two feet and ten one-hundredths of a foot (372.10) to a point;

Thence (17) North 15°-17' East, forty four feet and fifty nine one-hundredths of a foot (44.59) to a point;

Thence (18) North 74°-55' West, twenty seven feet and eighty four one-hundredths of a foot (27.84) to a point;

Thence (19) South 64°-23'-30" West, one hundred thirty three feet and twenty eight one-hundredths of a foot (133.28) to a point;

Thence (20) South 15°-46' West, one hundred three feet (103.00) to a point;

Thence (21) North 87°-03'-11" West, forty one feet and eighty nine one-hundredths of a foot (41.89) to a point;

Thence (22) North 75°-25' West, seventy five feet and fifty four one-hundredths of a foot (75.54) to a point;

Thence (23) North 54°-56' West, one hundred seventeen feet and forty seven one-hundredths of a foot (117.47) to a point;

Thence (24) North 79°-38'-10" West, two hundred thirty three feet and eighty three one hundredths of a foot (233.83) to a point;

Thence (25) North 82°-00'-12" West, ninety four feet and sixty seven one-hundredths of a foot (94.67) to a point;

Thence (26) South 37°-56' West, three hundred feet (300.00) to a point in the Sixth Course of the First Tract in the recorded deed mentioned hereinbefore;

Thence (27) South 52°-18' East, along part of said Sixth Course in the recorded deed mentioned hereinbefore, seven hundred eighty two feet and forty two one-hundredths of a foot (782.42) to a point;

Thence (28) South 46°-03'10" East, along the Seventh Course in the recorded deed mentioned hereinbefore, five hundred twenty two feet and seventy seven one-hundredths of a foot (522.77) to a point;

Thence (29) South 31°-07'-30" East, three hundred twenty feet and sixty five one-hundredths of a foot (320.65) to a point;

Thence (30) South 58°-52'-30" West, two feet and ninety six one-hundredths of a foot (2.96) to a point;

Thence (31) South 31°-02'-30" East, five hundred thirty feet (530.00) to the point and place of BEGINNING.

# EXHIBIT B

Reservation by Central Railroad of New Jersey of the right of ingress and egress in common with GAF Corporation and others, over a 24 foot wide driveway, in Deed Book 2356, Page 634, in Union County. Union Carbide and Carbon Corporation (Linde Division) has been granted a right to use said driveway.

Grant of easement to Elizabethtown Water Company, in Deed Book 2739, Page 990, and in Deed Book 2917, Page 226, in Union County, New Jersey.

Grant of easement to Elizabethtown Consolidated Gas Company in Deed Book 2608, Page 138, and in Deed Book 2611, Page 213, in Union County, New Jersey.

Grant of right of way and easement to City of Linden, in Deed Book 533, Page 233, Deed Book 533, Page 589, Deed Book 588, Page 499, and relocated in Deed Book 2681, Page 225, Deed Book 2924, Page 209, and Deed Book 2946, Page 162, in Union County, New Jersey.

Sidetrack agreements and the operating agreement between The Central Railroad Company of New Jersey and General Aniline & Film Corporation, in Deed Book 2795, Page 925.

The parties understand that sidetrack agreements and operating agreement or agreements are being prepared by The Railroad Company to cover railroad tracks on respective lands of parties.

Grant to Linden Roselle Sewerage Authority in Deed Book 1898, Page 168, in Union County, New Jersey.

Grants of rights of way to Elizabethtown Water Company for 12 inch water line along and east of former Sound Shore Railroad Company. (Not recorded.)

Grant to Union Carbide and Chemical Company of a right of way for a nitrogen pipeline, dated November 3, 1967, recorded January 2, 1968, in Deed Book 2821, Page 929.

Railroad License Agreement and Road Agreement in Deed Book 1847, Page 79, in Union County, New Jersey.

Rights granted to the Linden Roselle Sewerage Authority for a 24 inch force main and 30 inch storm sewer.

Agreements, dated January 17, 1956, April 6, 1970 and January 27, 1971, with Public Service Company of New Jersey relating to certain encroachments and for rights to install electric lines and to install road lighting on poles along the road and in the area of the substation.

Lease agreement with Union Carbide & Carbon Corporation dated March 22, 1957 as amended and grant of easement rights to Union Carbide & Carbon Corporation for hydrogen, steam, brackish water, fresh water pipelines and sewer lines. (Not recorded.)

The rights, easements and rights of way granted pursuant to the Agreement of June 16, 1972 between the parties and to be executed at the Closing.

Easement Agreement with Central Railroad of New Jersey in Deed Book 2771, Page 858, in Union County.

Easement Agreement with Sinclair Refining Company in Deed Book 2802, Page 542,in Union County.

Assignment Agreement in Deed Book 2802, Page 839, in Union County.

Pipeline Easement in Deed Book 2821, Page 929, in Union County.

Grant to Elizabethtown Gas Company in Deed Book 2909, Page 697, in Union County.

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

BE IT REMEMBERED, that on this 24th day of August, Nineteen hundred and seventy-two before me the subscriber, a Notary Public for said County and State, personally appeared T. A. DENT, who being by me duly sworn on his oath, says that he is a VICE PRESIDENT of GAF CORPORATION, the Grantor named in the foregoing instrument; that he well knows the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that the foregoing instrument was signed and delivered by T. A. DENT who was at the date thereof a VICE PRESIDENT of said corporation, in the presence of this deponent, and said VICE PRESIDENT, at the same time acknowledged that he signed, sealed and delivered the same as his voluntary act and deed, and as the voluntary act and deed of said corporation, by virtue of authority from its Board of Directors, and that deponent, at the same time, subscribed his name to said instrument as an attesting witness to the execution thereof, and that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within deed, as such consideration as defined in P. L. 1968, c. 49, 1 (c) is $581,000.

SWORN AND SUBSCRIBED BEFORE ME
AT NEW YORK, NEW YORK THE DATE
AFORESAID.

Violet R. Roncace
Notary Public

VIOLET R. RONCACE
NOTARY PUBLIC, State of New York
No. 03-8632800
Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1974

This instrument prepared by
Edward S. Menapace, 140 West 51 Street,
New York, New York 10020



BK2954PG 283

END OF DOCUMENT

**ATTACHMENT TO QUESTION # 4**

AGREEMENT made this 16th day of June 1972,

between

GAF CORPORATION, a Delaware corporation, having an office at 140 West 51st Street, New York, New York 10020 (herein called "SELLER" or "GAF")

and

LINDEN CHLORINE PRODUCTS, INC., a Delaware corporation, having an office care of Shanley & Fisher, 570 Broad Street, Newark, New Jersey (herein called "PURCHASER" or "LCP");

W I T N E S S E T H:

1. The SELLER agrees to sell and convey, and the PURCHASER agrees to purchase, all that piece or parcel of land with the buildings, plant, equipment and improvements thereon erected, situate, lying and being in the City of Linden, County of Union, and State of New Jersey, described in Exhibit A attached hereto and forming part hereof, all of which are hereinafter sometime collectively referred to as the "Premises."

The buildings, plant, equipment and improvements to be conveyed shall include the facilities located on the land which heretofore were utilized by SELLER for the manufacture of chlorine,

caustic soda and associated products

2. The price is $5,100,000 payable as follows:

(a) $100,000 on the signing of this Agreement, by check subject to collection, the receipt of which is hereby acknowledged. If PURCHASER breaches its obligation to consummate the transactions contemplated herein, SELLER shall have any and all rights and remedies which the law provides including, without limitation, the right to retain the down payment provided herein. Subject to the provisions of Paragraph 10 hereof, if SELLER breaches its obligation to consummate the transactions contemplated herein, PURCHASER shall be entitled to recovery of the $100,000 down payment herein provided and shall have any and all rights and remedies which the law provides.

The purchase price shall be allocated as provided in Schedule I annexed hereto.

(b) $5,000,000 by bank check in New York Clearing House Funds on delivery of the Deed and Bill of Sale as hereinafter provided.

3. The following are included in this sale:

(a) 3,540 flasks of Mercury on an "as is, where is" basis (essentially all such flasks being stored in a

warehouse in Brooklyn, New York) and any residue of Mercury contained in the cells located in the buildings known as buildings 230 and 240.

(b) Spare parts on an "as is, where is" basis located in the existing facilities plus spare parts purchased for the chlorine caustic facilities and which (i) are located in SELLER's buildings known as buildings 35 and 47; (ii) consist of anodes wherever located, and (iii) consist of angle valves for chlorine tank cars and are located at S & W Machine, Elmer, New Jersey. The equipment set forth on Exhibit F attached hereto and made part hereof now located on that part of the SELLER's property referred to as the Nopco parcel are also included in this sale. Property being purchased hereunder not physically located on the Premises will be delivered to the Premises by GAF, at its expense, at such time or times as are mutually convenient to the parties

New Jersey which shall be picked up by PURCHASER at its expense.

(c) SELLER will grant rights to PURCHASER, to the extent permitted by such instruments, under any and all technical agreements and licenses and will furnish to PURCHASER all technical and engineering documents, drawings and like data, including know-how, which SELLER possesses and which relates to the chlorine caustic operation. SELLER will grant to PURCHASER an immunity from suit with respect to the patents, patent applications and patent proposals listed as Item 20 in Exhibit G, attached hereto and made part hereof. In the event LCP obtains a patent or patents for an improvement or improvements pertaining to the subject matter claimed in the inventions for which LCP is granted an immunity from suit hereunder, LCP agrees to grant to GAF a royalty-free non-exclusive license together with the right to grant sublicenses to make, use and sell the inventions of such patent or patents for the full term or terms thereof, provided that GAF shall pay to LCP fifty (50%) percent of any royalties received by GAF under any such sublicenses granted by GAF. SELLER will grant to PURCHASER all of its rights, licenses and immunities with respect to the processes employed.

the chlorine caustic plants which it received from Vickers-Krebs Limited under contract dated September 21, 1961 and from Krebs & Cie, Paris, under contract dated April 12, 1967 and SELLER represents that it has the right to make such grant. Exhibit G contains a list of the technical agreements, licenses and patents, technical and engineering documents, drawings and like data set forth above, which list SELLER believes is complete. SELLER does not represent that said list is complete or that SELLER now has in its possession all of the items included in said list, but agrees to conduct, prior to Closing, a search of its files and to deliver to PURCHASER all of such material which its search discloses. SELLER makes no representation that utilization of the above described instruments and other documents will enable PURCHASER to successfully operate the chlorine caustic facilities, and, in particular, the facilities located in building 240, but, to SELLER's knowledge, such instruments and other

used by SELLER in its operation of such chlorine caustic facilities, and SELLER has no knowledge of any claims asserted by third parties with respect to the use thereof. SELLER shall have no obligation and shall not be subject to any liability with respect to PURCHASER's utilization of the technical advice or know-how furnished to PURCHASER hereunder. PURCHASER shall have no obligation and shall not be subject to any liability with respect to SELLER's utilization of such technical advice or know-how prior to the Closing. The provisions of this subparagraph (c) shall survive Closing.

(d) SELLER agrees that it will not, while this agreement is in effect, remove any equipment, machinery, furniture, fixtures or parts from the Premises. SELLER agrees prior to Closing to return to the Premises those items set forth on Exhibit H attached hereto and made part hereof.

4. The Premises are to be sold and conveyed subject to:

(a) Zoning regulations and ordinances of the City of Linden, Union County, New Jersey, which are not violated by existing structures thereon and the use thereof; provided, however, that no representations are made as to compliance with any regulations of any governmental authority, local, state or federal or any agency or department thereof.

having jurisdiction relating to air and water pollution or the health and safety of employees.

(b) Covenants, easements, rights of way and restrictions set forth in Exhibit B attached hereto and made part hereof. Other covenants, easements, rights of way and restrictions of record which do not prohibit use of the Premises for chlorine caustic production and do not render title to the Premises unmarketable. SELLER agrees from and after the date hereof not to place any covenants, easements, rights of way or restrictions against or upon the Premises except as herein provided. Easements and rights of way granted by PURCHASER to SELLER pursuant to provisions of this Agreement relating to ingress and egress in, over and through the Premises by SELLER, the transport of effluent, utilities and energies and access to and use of railroad facilities and roadways.

(c) Facts which are disclosed by the survey by Grassmann, Kreh & Mixer, dated February 15, 1972 and Numbered H-5966-~~2~~ 3, latest revision dated ~~March 27~~ June 14, 1972, a copy of which is attached as Exhibit C.

(d) Outstanding orders to the extent if at all applicable listed on Schedule III attached hereto and made part hereof which SELLER represents are the only outstanding orders of which it has knowledge, and regulations of any governmental authority, local, state or federal, or any agency or department thereof, having jurisdiction relating to control of air

and water pollution and the health and safety of employees. It is understood that SELLER makes no warranty or representation that operation of the facilities will be in compliance with any such orders or regulations. PURCHASER shall have no responsibility with respect to any failure by SELLER to comply with such orders or regulations prior to the Closing hereunder, provided, however, that SELLER shall have no obligation to bring the operations of the facilities into compliance with such orders or regulations and PURCHASER agrees to assume all responsibility for such compliance from and after the Closing with respect thereto. The provisions of this subparagraph (d) shall survive Closing.

(e) Rights or estate of the United States of America in and to that portion of Premises lying waterward of the high water mark line of Arthur Kill. Rights or estate of the State of New Jersey in lands and creeks lying below the original mean high water mark and to that portion of Premises deemed to be meadowlands heretofore flowed by tide. In the event that PURCHASER purchases from the State of New Jersey or the United States of America the State's or United States Government's claimed rights, if any, to any part of such lands and creeks then PURCHASER shall bear the first $125,000

of the cost of such purchase and any additional cost of such purchase shall be borne equally by PURCHASER and SELLER and this provision shall survive the Closing.

5. The Deed to be delivered shall be a Bargain and Sale Deed with covenants against grantor's act in proper statutory form for recording and shall be duly executed and acknowledged so as to convey to PURCHASER on the day of Closing good and marketable title to the real property included in this sale free and clear of liens, encumbrances, covenants, restrictions, rights of way and easements, except as herein provided. The SELLER shall pay the New Jersey Realty Transfer Tax.

Water and sewer taxes and similar charges and electric power and other utilities and similar charges incurred and accrued with respect to the Premises shall be prorated as of the date of Closing. Since the Premises as such (comprising part of a larger tract owned by SELLER) have not been heretofore assessed and taxed as a separate parcel, real estate taxes with respect to the Premises will be prorated as of the date of closing in accordance with Schedule II attached hereto. If any of such items cannot be prorated completely because final bills are not available, final adjustments shall be made after Closing when final bills are available.

Personal property shall be conveyed by a Bill of Sale in proper form which upon its execution and delivery will effectively convey and transfer title to the assets of SELLER purported to be conveyed thereby free of liens, claims and encumbrances except as herein provided. SELLER will be responsible for the New Jersey State sales tax, if any, incurred with respect to the aforesaid transfer of assets and this obligation shall survive delivery of the Bill of Sale.

The parcel being conveyed being part of a larger parcel of property owned by SELLER, approval of a subdivision by the governing body of the City of Linden, shall be a condition to consummation by the parties of the transactions contemplated herein. SELLER duly made an application for approval of a subdivision and at a regular public meeting on May 16, 1972, the Council of the City of Linden approved the recommendation of the Planning Board of the City of Linden classifying and approving the subdivision. Notice of said approval was published on May 25, 1972. A copy of the notice and affidavit of publication has been delivered to PURCHASER. The parties recognize that the approval of the subdivision is subject to attack by appeal for a period of forty-five (45) days from date of publication and agree that if an appeal is taken for any reason from such subdivision approval and such appeal is pending on the date of Closing hereunder that PURCHASER or SELLER shall have the option to terminate this Agreement, the option to be exercised

6. That part of the Premises comprising the buildings, plant, equipment and improvements are to be sold on an "as is, where is" basis without any warranty or representation whatsoever, including any warranty of fitness for a particular use or of merchantability. The PURCHASER acknowledges that it has inspected the plant, equipment and improvements on the Premises and is apprised of the condition thereof.

7. Additional provisions and documents relating to Sale:

A. Fencing of Premises. No later than thirty (30) days after Closing PURCHASER, at its expense, shall enclose portions of the Premises with a fence of a quality and type substantially the same as the fence which now encloses SELLER's land, including necessary and appropriate security gates for roads and railroad crossings, and will enclose other portions of the Premises with a boundary line fence. PURCHASER's fence will be as indicated on Exhibit D attached hereto. PURCHASER at all times, at its expense, shall keep said fences in good repair. Any part of SELLER's existing fence requiring repair because of PURCHASER's installation of its fence shall be done by PURCHASER at its expense. The provisions of this subparagraph A shall survive the Closing.

on Arthur Kill. SELLER shall deliver to PURCHASER, at Closing, a right of way for ingress and egress to and from the Premises in common with SELLER and others over that part of Linde Road, designated on Exhibit D, on the terms and in the form attached hereto as Exhibit E-1.

SELLER and PURCHASER shall deliver to each other at Closing (i) a right of way for ingress and egress through and across the Premises and lands of SELLER through the roadway known as Avenue B as designated on Exhibit D; (ii) a right of way to PURCHASER through Avenue C to Fifth Street to Avenue B and an additional right of way from Avenue B east on Fifth Street to the area including the turn around area on which a 500,000 gallon caustic tank is located, (which right shall cease when the lease of said caustic tank to PURCHASER expires) all as designated on Exhibit D; and (iii) a right of way to SELLER over the roadways known as Eighth Street and Avenue D as designated on Exhibit D for access to the Liming Neutralization Station located on SELLER's land to continue only until SELLER abandons operations of the Liming Neutralization Station located on SELLER's land, all on the terms and in the form annexed hereto as Exhibit E-2.

SELLER shall lease to PURCHASER the use of the said 500,000 gallon caustic tank and grant an easement for a pipeline from the Premises to said caustic tank on the terms and in the form annexed

hereto as Exhibit E-2.

SELLER is now a party to an agreement with E. I. duPont de Nemours & Company for the use of dock facilities on the Arthur Kill including a right of way for a pipeline from the said caustic tank to the dock facilities, which agreement has a term expiring December 31, 1973. SELLER and PURCHASER agree that PURCHASER will negotiate a new lease agreement and right of way for a pipeline over lands of duPont and that the existing agreement between SELLER and duPont shall be terminated.

C. Railroad Facilities. The parties agree to enter into separate sidetrack agreements with The Central Railroad of New Jersey covering those portions of railroad tracks on their respective lands and also an operating agreement with The Central Railroad of New Jersey relating to movement of cars over the tracks on their respective lands. Such agreements are in process of preparation by said railroad company.

SELLER shall deliver to PURCHASER at Closing, (i) a right of way to use not more than 800 feet of the railroad track on SELLER's land designated as Track 2B on Exhibit D, for storage of empty chlorine cars, and (ii) a right of way over and the right to store cars on Tracks 5 and 6 located on SELLER's land as designated on Exhibit D, on the terms and in the form annexed hereto as Exhibit E-3.

PURCHASER shall deliver to SELLER at Closing a right of way over the railroad tracks on the Premises designated on Exhibit D as Tracks 1, 3, 3A, 3B, 3B1, 4, 4A, 4B, 5 and 6 and the right to store railroad cars on Tracks 5 and 6 on the terms and in the form attached hereto as Exhibit E-3.

D. Electricity. Electrical power for the facilities located on the Premises and for facilities located on SELLER's land is provided through a Sub-station which is located on the Premises. PURCHASER and SELLER agree to enter into an agreement providing for the take over of certain equipment located in said Sub-station and the joint use of said Sub-station on the terms and in the form attached hereto as Exhibit E-4.

E. Water. Potable and production fresh water for the facilities on the Premises are supplied by a tap-in to a sixteen (16") inch and a twelve (12") inch water main of Elizabethtown Water Company. PURCHASER will make its own arrangements for supply of such water with the supplier.

PURCHASER agrees to deliver to SELLER at Closing an agreement providing for the supply of salt water, on the terms and in the form attached hereto as Exhibit E-5.

F. Steam. SELLER agrees to deliver to PURCHASER at Closing an agreement providing for the supply of steam to PURCHASER on the terms and in the form attached hereto as Exhibit E-5.

G. Air. SELLER shall deliver to PURCHASER at Closing an agreement providing for a supply of air to PURCHASER on the terms and in the form attached hereto as Exhibit E-5.

H. Nitrogen. Nitrogen was supplied to facilities on the Premises by pipeline from Linde Division of Union Carbide. PURCHASER will make its own arrangements for supplying of Nitrogen.

I. Car Leases. SELLER is a party to various rental agreements for railroad cars for use in the chlorine caustic operations. SELLER agrees to sublease to PURCHASER certain of said cars on the terms and in the form attached hereto as Exhibit E-6.

J. Purchase Commitments. SELLER has issued certain purchase orders for various parts relating to the facilities on the Premises. SELLER agrees to assign to PURCHASER and PURCHASER agrees to accept an assignment and assumption of those certain purchase orders on the terms and in the form attached hereto as Exhibit E-7.

K. Lease of Land for Hydrogen Facility Operated by Linde Division of Union Carbide. SELLER is party to a lease with Linde Division of Union Carbide for a parcel of land indicated on Exhibit D on which Union Carbide operates a hydrogen packaging facility. SELLER has heretofore supplied hydrogen as a by-product of the facilities on the Premises to Linde Division of Union Carbide pursuant to an agreement. SELLER and PURCHASER agree that PURCHASER will negotiate for a new lease and hydrogen supply agreement with Linde Division of Union Carbide and the existing lease and supply agreement between SELLER and Linde Division of Union Carbide shall be terminated.

L. Additional Rights of Way and Easements. PURCHASER agrees to grant to SELLER on the terms and

in the form attached hereto as Exhibit E-8 rights of way and easements for electric lines and poles.

SELLER and PURCHASER agree to grant reciprocal rights to each other and to Public Service Electric & Gas Company of New Jersey for rights of way to electric lines and poles over each others lands if such should become reasonably necessary in the future in order to obtain a supply of electricity for operations of facilities on each of their respective lands, and provided same do not unreasonably interfere with the use of each party's respective lands. The provisions contained in this subparagraph shall survive Closing.

M. Flume and Outfall Ditch for Effluents.

Wastewater effluents from the facilities on the Premises and on lands of SELLER now flow through the flume and outfall ditch as indicated on Exhibit D. PURCHASER shall grant to SELLER the right to use the flume and outfall ditch in common for the disposal of wastewater effluents into Arthur Kill on the terms and in the form attached hereto as Exhibit E-9. It is understood

that SELLER and PURCHASER shall each be responsible for the type and characteristics of wastewater effluents so discharged by it, for respective obtaining of permits to discharge into Arthur Kill and for respective compliance with rules, regulations and orders for pollution control of any governmental authorities, local, state or federal having jurisdiction. SELLER, at its option, may at any time discontinue using said outfall ditch. The provisions of this subparagraph shall survive Closing.

N. PURCHASER agrees to grant to SELLER at Closing a right of way and easement 50 feet in width across the Premises as designated on Exhibit C, for a roadway and pipelines on the terms and the form attached hereto as Exhibit E-10.

8. The Closing for the transactions contemplated by this Agreement shall be held on July 14, 1972, at the offices of SELLER, 140 West 51st Street, New York, N. Y. at 10:00 A. M.

Either SELLER or PURCHASER, by written notice to the other, shall be entitled to postpone the Closing for legal, technical or other bona fide reasons provided that, subject to

Paragraph 9 hereof, the Closing shall be held no later than August 1, 1972.

9. PURCHASER, at its expense, shall cause a title search to be made and shall advise SELLER in writing of any exceptions or objections to title disclosed by such report promptly but not later than five (5) days before the scheduled Closing Date or any agreed upon adjournment thereof. SELLER shall have a right to a reasonable adjournment of the Closing to attempt to cure any such exceptions or objections not to exceed sixty (60) days. PURCHASER shall have the right to inspect all title documents in SELLER's possession relating to the Premises and SELLER agrees, at its expense, to furnish a copy to PURCHASER of such documents as PURCHASER may request with respect to the aforesaid title search. Such instruments shall be furnished as an accommodation without any representation or warranties with respect thereto, it being understood PURCHASER shall make its own title searches.

10. If SELLER for any reason is unable to deliver good and marketable title subject to the terms, conditions and provisions provided herein, SELLER's sole liability shall be to refund to the PURCHASER the payment made on account as provided for herein.

11. If prior to the Closing Date all or a "material" part of the Premises is destroyed by fire or other casualty, either party may, by written notice to the other, elect to cancel this Agreement prior to the Closing Date. In the event that either party shall so elect, both parties shall be relieved and released of and from any further liability hereunder, and the SELLER shall forthwith repay to the PURCHASER the down payment received hereunder. A destruction of a "material" part of the Premises shall be deemed to have occurred for the purposes hereof if operation of the facilities on the Premises for production and shipment of chlorine and caustic are impaired and substantial completion of repairs occasioned by such destruction cannot be reasonably accomplished within a period of sixty (60) days after the occurrence thereof or if such repairs require a payment of in excess of $250,000 for the completion thereof. Unless this Agreement is so cancelled, it shall

remain in full force and effect, and the Closing shall take place as originally scheduled but the purchase price provided herein shall be abated by an amount equal to the proceeds of any insurance collected by SELLER plus any deductible or, in the event the insurance proceeds have not been collected by SELLER at time of Closing, there shall be an abatement in purchase price equal to 90% of the "replacement value" of the destroyed Premises if PURCHASER notifies SELLER of its intention to replace and proceeds to accomplish same, or 90% of the "actual cash value" of the destroyed Premises if PURCHASER notifies SELLER of its intention not to so replace. "Replacement value", "actual cash value", time and cost of repairs shall be determined by such appraisers or other third parties as are mutually satisfactory to the parties hereto. The cost and fees of any such appraiser or other third party shall be borne equally by the parties hereto. The Closing Date shall be adjourned until the amount of abatement in purchase price shall be so determined. Upon final receipt by SELLER of the insurance proceeds related to the loss in question, the SELLER shall pay to PURCHASER any excess of such proceeds over the amount of the abatement in purchase price and PURCHASER shall return to SELLER any short fall in such proceeds in relation to the amount of the abatement in purchase price.

prior to the Closing Date an immaterial part of the Premises is destroyed by fire or other casualty, neither party shall have the right to cancel this Agreement and the purchase price provided herein shall be abated in the manner hereinabove provided with final adjustment in payment between the parties to be made as above provided upon final receipt by SELLER of the insurance proceeds related to the loss in question.

If prior to the Closing Date all or a "material" part of the Premises are taken in condemnation proceedings or by right of eminent domain, the SELLER shall promptly notify PURCHASER thereof and either party may by written notice to the other elect to cancel this Agreement prior to the Closing Date. In the event that either party shall so elect both parties shall be relieved and released of and from any further liability hereunder and the SELLER shall repay to the PURCHASER the down payment received hereunder. A taking of a "material" part of the Premises shall be deemed to have occurred for the purpose hereof under the same conditions set forth above with reference to destruction by fire or other casualty. Unless this Agreement is so cancelled it shall remain in full force and effect and the Closing shall take place as originally scheduled and there shall be an abatement or adjustment of the purchase price equal to the amount of any award for such

condemnation or taking which represents damages for loss of the Premises if the amount of award has then been fixed or if not fixed an amount equal to the estimated damage to be determined by such appraisers or other third parties as are mutually satisfactory to the parties hereto. The Closing Date shall be adjourned until the amount of abatement in purchase price shall be so determined. Upon final receipt by SELLER of the award SELLER shall pay to PURCHASER any excess of such proceeds over the amount of abatement in purchase price and PURCHASER shall return to SELLER any short fall in such proceeds in relation to the amount of the abatement in purchase price.

If prior to the Closing Date an immaterial part of the Premises is taken in condemnation proceedings or by right of eminent domain, neither party shall have the right to cancel this Agreement and the PURCHASER shall be entitled to a credit for that part of any award for such condemnation or taking which shall represent damages for loss of the Premises or in the event that no award has been made at the time fixed for the Closing the PURCHASER shall pay the full purchase price without abatement or adjustment and SELLER shall assign to the PURCHASER any and all rights to any award for the Premises to be sold pursuant to this Agreement.

12. The SELLER shall keep the Premises insured to the date of Closing as herein provided on a standard replacement cost basis against loss or damage by fire and other risks now embraced within the phrase "extended coverage" as customarily used from time to time in insurance policies issued in New Jersey on property located therein. The policies of such insurance shall include both SELLER and PURCHASER as insureds as interest shall appear and a certificate or other evidence of such insurance shall be delivered to PURCHASER.

13. SELLER agrees at Closing to execute and deliver to PURCHASER an appropriate non-disclosure agreement in the form attached hereto as Exhibit E-11 covering all technical information, trade secrets, know-how and financial and business information relating to the chlorine caustic operations. Nothing contained herein shall prevent SELLER from commercially exploiting the patents, patent applications and patent proposals listed in Item 20 of Exhibit G and this provision shall survive Closing.

14. PURCHASER shall not assume or be responsible for any debts, obligations, expenses, contracts and liabilities of SELLER of any kind, character or description incurred by SELLER in connection with or arising out of SELLER's ownership and operation of the

Premises and the chlorine caustic facilities located thereon, except as otherwise provided herein or as otherwise expressly agreed upon between SELLER and PURCHASER. The provisions of this Paragraph 14 shall survive the Closing and SELLER agrees to indemnify and hold harmless PURCHASER against any such debts, obligations, expenses, contracts and liabilities of SELLER.

15. SELLER and PURCHASER, each for itself, represents and warrants to the other that it is not a party to, or in any way obligated under any agreement for the payment of brokers' or finders' fees or similar expenses incurred by it in connection with these transactions. SELLER and PURCHASER, each for itself, agrees to hold the other harmless from and against any claim for broker or finder's fees or similar expenses which may be incurred in connection with the transaction under this Agreement pursuant to any agreement claimed to have been made by the party so warranting with any third party.

PURCHASER shall not, without the written consent of an officer of SELLER, employ or offer employment to any person known to PURCHASER then to be an employee of SELLER.

PURCHASER shall take all reasonable precautions to prevent its employees from entering upon the property of SELLER

at Linden, New Jersey, not herein conveyed except as may be required to conduct its business under the lease, easements and rights of way provided for herein. SELLER shall take all reasonable precautions to prevent its employees from entering upon the Premises as conveyed to PURCHASER except as may be required to conduct its business under the easements and rights of way provided for herein.

The provisions of this Paragraph 15 shall survive the Closing.

16. In the event that SELLER should bring within a period of three (3) years from and after the Closing Date an action or actions against Krebs & Cie and/or Badische Anilin & Soda Fabrik A.G. in connection with the operations of the chlorine caustic facilities, PURCHASER shall, at SELLER's expense, cooperate with SELLER in furnishing data as may be reasonably requested including, without limitation, the furnishing to authorized representatives of SELLER access to the Premises and to records and other documents relating to such facilities as SELLER may reasonably request.

The provisions of this Paragraph 16 shall survive the Closing.

17. SELLER shall up to the date of Closing herein provided grant to PURCHASER's officers and exempt salaried personnel and

such other persons as SELLER may give consent, upon request of PURCHASER, access to the Premises, contracts and records on the Premises relating to the chlorine caustic operations and SELLER will make available such other contracts and records relating to the chlorine caustic operations as PURCHASER may reasonably request. All authorized persons are to have access to the Premises only during normal business hours, except officers and employees of PURCHASER who may have access at any time including after business hours and on weekends provided PURCHASER notifies SELLER in advance in order to make appropriate arrangements.

18. All notices to be given by SELLER or PURCHASER shall be in writing and shall be delivered personally or mailed by certified or registered mail postage prepaid:

(a) If to SELLER, to the attention of:

Thomas A. Dent,
Vice President
GAF Corporation
140 West 51st Street
New York, New York 10020

(b) If to PURCHASER, to the attention of:

C. A. Hansen, President
Linden Chlorine Products, Inc.
c/o Shanley & Fisher
570 Broad Street
Newark, New Jersey 07102

Either party may change the address to which notices may be addressed by giving written notice as aforesaid.

19. SELLER shall refer to GAF Corporation, its successors and assigns. PURCHASER shall refer to Linden Chlorine Products, Inc., its successors and assigns.

20. Inasmuch as after the date of Closing SELLER and PURCHASER will be operating facilities adjacent to each other. SELLER and PURCHASER agree to cooperate in matters of mutual concern relating to safety, emergencies and operating convenience, such as access to fire hydrants on each others property, opening and closing of water system valves, temporary storage of railroad cars, and like matters.

The provisions of this Paragraph 20 shall survive the Closing.

21. All representations made herein by each party shall be deemed to be made as of the date of Closing.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

GAF CORPORATION

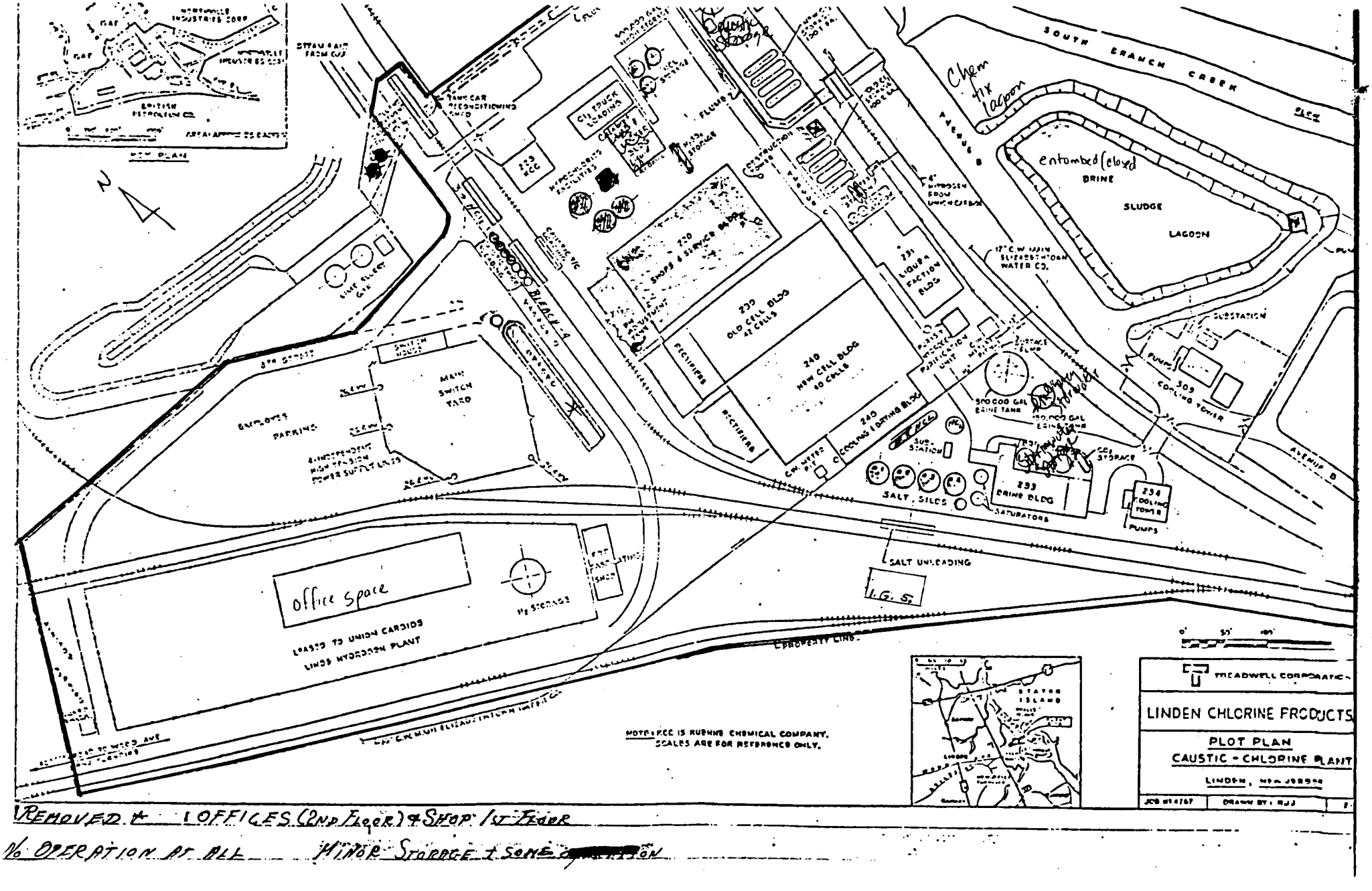
ATTEST: By _____
Vice President

_____
Secretary

LINDEN CHLORINE PRODUCTS, INC.

ATTEST: By _____
President

_____
ASST SECRETARY




REMOVED * OFFICES (2ND FLOOR) & SHOP 1ST FLOOR

½ OPERATION AT ALL MINOR STORAGE 1 SOME [redacted] ATION

Figure 2 - LCP Major Site Features

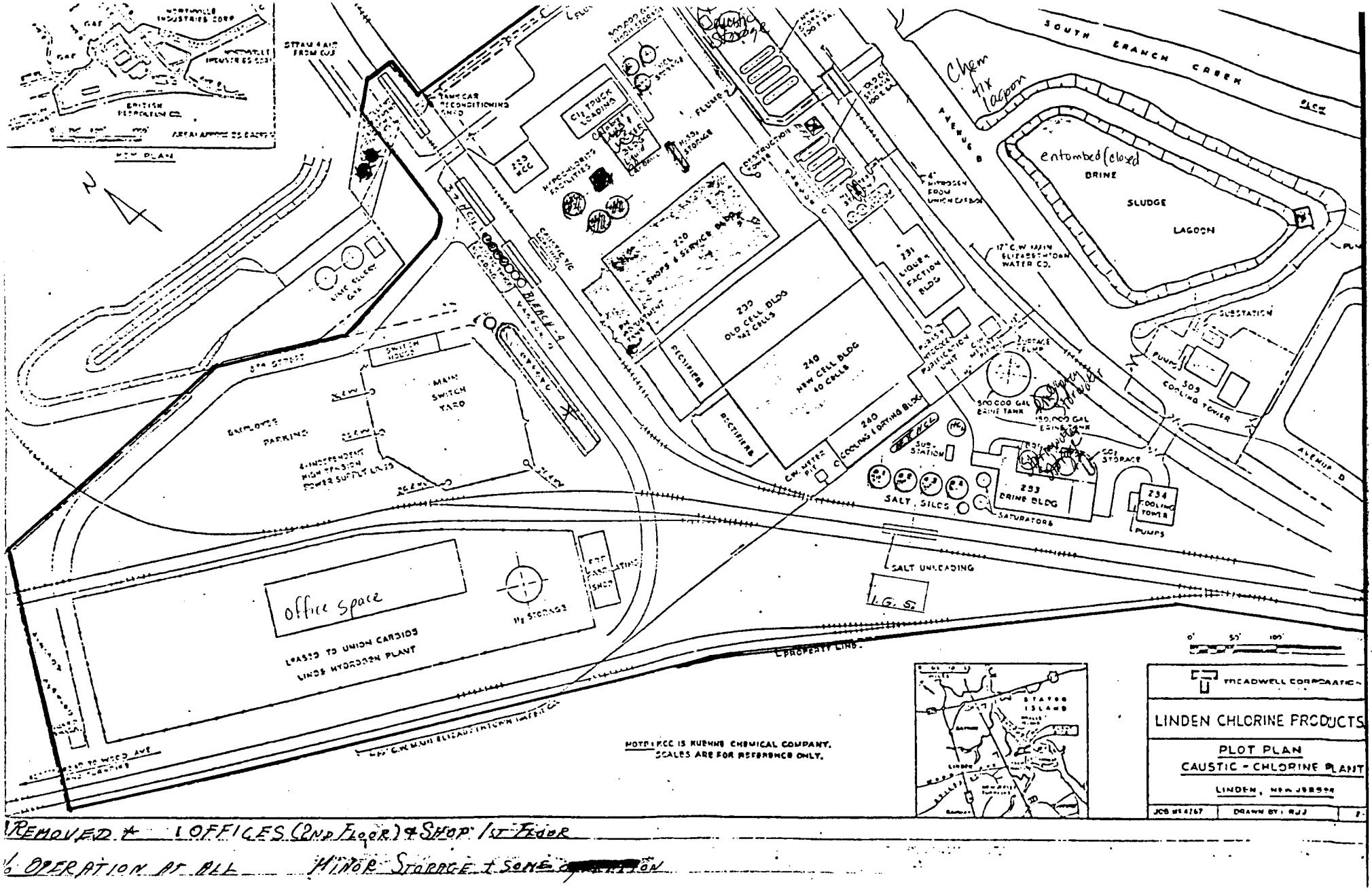



Figure 2 - LCP Major Site Features

**ATTACHMENT TO QUESTION # 8**

1988

Table 1
ABOVEGROUND TANK INVENTORY

| NUMBER | CONTENTS | CAPACITY (gal) | BASE | LOCATION | CONTAINMENT |
|---|---|---|---|---|---|
| 2 | Methylene Chloride | 11,400 | Steel sleeves on concrete pad | Adjacent to building 231 | Concrete dike |
| 1 | Potassium Hydroxide | 250,000 | Concrete pad Spraytech coating | Along northeast property line | Inside swale |
| 1 | Sodium Hydroxide | 250,000 | Concrete pad Spraytech coating | Along northeast property line | Inside swale |
| 1 | Sodium Hydroxide | 500,000 | Concrete pad Spraytech coating | Along northeast property line | Inside swale |
| 2 | Stormwater | 50,000 | Concrete pad 1 fiberglass/ 1 rubberlined steel | Adjacent to building 233 | Inside swale |
| 1 | Stormwater | 60,000 | Concrete pad fiberglass | Adjacent to building 233 | Inside swale |
| 1 | Wastewater treatment supply | 4,000 | Concrete pad | Inside building 233 | Open top floor drains to swale |
| 1 | Wastewater treatment activated carbon filter | 4,000 | Concrete pad | Inside building 233 | Open top floor drains to swale |
| 8 | Empty | 125,000 | Concrete pad | Between the methylene chloride and caustic tanks | Inside |
| 1 | Emergency Storage | 50,000 | Concrete pad | Near building 233 | Inside swale |

**ATTACHMENT TO QUESTION # 13**

AGREEMENT made this 16th day of June 1972,

between

GAF CORPORATION, a Delaware corporation, having an office at 140 West 51st Street, New York, New York 10020 (herein called "SELLER" or "GAF")

and

LINDEN CHLORINE PRODUCTS, INC., a Delaware corporation, having an office care of Shanley & Fisher, 570 Broad Street, Newark, New Jersey (herein called "PURCHASER" or "LCP");

W I T N E S S E T H:

1. The SELLER agrees to sell and convey, and the PURCHASER agrees to purchase, all that piece or parcel of land with the buildings, plant, equipment and improvements thereon erected, situate, lying and being in the City of Linden, County of Union, and State of New Jersey, described in Exhibit A attached hereto and forming part hereof, all of which are hereinafter sometime collectively referred to as the "Premises."

The buildings, plant, equipment and improvements to be conveyed shall include the facilities located on the land which heretofore were utilized by SELLER for the manufacture of chlorine,

2. The price is $5,100,000 payable as follows:

(a) $100,000 on the signing of this Agreement, by check subject to collection, the receipt of which is hereby acknowledged. If PURCHASER breaches its obligation to consummate the transactions contemplated herein, SELLER shall have any and all rights and remedies which the law provides including, without limitation, the right to retain the down payment provided herein. Subject to the provisions of Paragraph 10 hereof, if SELLER breaches its obligation to consummate the transactions contemplated herein, PURCHASER shall be entitled to recovery of the $100,000 down payment herein provided and shall have any and all rights and remedies which the law provides.

The purchase price shall be allocated as provided in Schedule I annexed hereto.

(b) $5,000,000 by bank check in New York Clearing House Funds on delivery of the Deed and Bill of Sale as hereinafter provided.

3. The following are included in this sale:

(a) 3,540 flasks of Mercury on an "as is, where is" basis (essentially all such flasks being stored in a

warehouse in Brooklyn, New York) and any residue of Mercury contained in the cells located in the buildings known as buildings 230 and 240.

(b) Spare parts on an "as is, where is" basis located in the existing facilities plus spare parts purchased for the chlorine caustic facilities and which (i) are located in SELLER's buildings known as buildings 35 and 47; (ii) consist of anodes wherever located, and (iii) consist of angle valves for chlorine tank cars and are located at S & W Machine, Elmer, New Jersey. The equipment set forth on Exhibit F attached hereto and made part hereof now located on that part of the SELLER's property referred to as the Nopco parcel are also included in this sale. Property being purchased hereunder not physically located on the Premises will be delivered to the Premises by GAF, at its expense, at such time or times as are mutually convenient to the parties

New Jersey which shall be picked up by PURCHASER at its expense.

(c) SELLER will grant rights to PURCHASER, to the extent permitted by such instruments, under any and all technical agreements and licenses and will furnish to PURCHASER all technical and engineering documents, drawings and like data, including know-how, which SELLER possesses and which relates to the chlorine caustic operation. SELLER will grant to PURCHASER an immunity from suit with respect to the patents, patent applications and patent proposals listed as Item 20 in Exhibit G, attached hereto and made part hereof. In the event LCP obtains a patent or patents for an improvement or improvements pertaining to the subject matter claimed in the inventions for which LCP is granted an immunity from suit hereunder, LCP agrees to grant to GAF a royalty-free non-exclusive license together with the right to grant sublicenses to make, use and sell the inventions of such patent or patents for the full term or terms thereof, provided that GAF shall pay to LCP fifty (50%) percent of any royalties received by GAF under any such sublicenses granted by GAF. SELLER will grant to PURCHASER all of its rights, licenses and immunities with respect to the processes employed.

the chlorine caustic plants which it received from Vickers-Krebs Limited under contract dated September 21, 1961 and from Krebs & Cie, Paris, under contract dated April 12, 1967 and SELLER represents that it has the right to make such grant. Exhibit G contains a list of the technical agreements, licenses and patents, technical and engineering documents, drawings and like data set forth above, which list SELLER believes is complete. SELLER does not represent that said list is complete or that SELLER now has in its possession all of the items included in said list, but agrees to conduct, prior to Closing, a search of its files and to deliver to PURCHASER all of such material which its search discloses. SELLER makes no representation that utilization of the above described instruments and other documents will enable PURCHASER to successfully operate the chlorine caustic facilities, and, in particular, the facilities located in building 240, but, to SELLER's knowledge, such instruments and other

used by SELLER in its operation of such chlorine caustic facilities, and SELLER has no knowledge of any claims asserted by third parties with respect to the use thereof. SELLER shall have no obligation and shall not be subject to any liability with respect to PURCHASER's utilization of the technical advice or know-how furnished to PURCHASER hereunder. PURCHASER shall have no obligation and shall not be subject to any liability with respect to SELLER's utilization of such technical advice or know-how prior to the Closing. The provisions of this subparagraph (c) shall survive Closing.

(d) SELLER agrees that it will not, while this agreement is in effect, remove any equipment, machinery, furniture, fixtures or parts from the Premises. SELLER agrees prior to Closing to return to the Premises those items set forth on Exhibit H attached hereto and made part hereof.

4. The Premises are to be sold and conveyed subject to:

(a) Zoning regulations and ordinances of the City of Linden, Union County, New Jersey, which are not violated by existing structures thereon and the use thereof; provided, however, that no representations are made as to compliance with any regulations of any governmental authority, local, state or federal or any agency or department thereof.

having jurisdiction relating to air and water pollution or the health and safety of employees.

(b) Covenants, easements, rights of way and restrictions set forth in Exhibit B attached hereto and made part hereof. Other covenants, easements, rights of way and restrictions of record which do not prohibit use of the Premises for chlorine caustic production and do not render title to the Premises unmarketable. SELLER agrees from and after the date hereof not to place any covenants, easements, rights of way or restrictions against or upon the Premises except as herein provided. Easements and rights of way granted by PURCHASER to SELLER pursuant to provisions of this Agreement relating to ingress and egress in, over and through the Premises by SELLER, the transport of effluent, utilities and energies and access to and use of railroad facilities and roadways.

(c) Facts which are disclosed by the survey by Grassmann, Kreh & Mixer, dated February 15, 1972 and Numbered H-5966-~~2~~ 3, latest revision dated ~~March 27~~ June 14, 1972, a copy of which is attached as Exhibit C.

(d) Outstanding orders to the extent if at all applicable listed on Schedule III attached hereto and made part hereof which SELLER represents are the only outstanding orders of which it has knowledge, and regulations of any governmental authority, local, state or federal, or any agency or department thereof, having jurisdiction relating to control of air

and water pollution and the health and safety of employees. It is understood that SELLER makes no warranty or representation that operation of the facilities will be in compliance with any such orders or regulations. PURCHASER shall have no responsibility with respect to any failure by SELLER to comply with such orders or regulations prior to the Closing hereunder, provided, however, that SELLER shall have no obligation to bring the operations of the facilities into compliance with such orders or regulations and PURCHASER agrees to assume all responsibility for such compliance from and after the Closing with respect thereto. The provisions of this subparagraph (d) shall survive Closing.

(e) Rights or estate of the United States of America in and to that portion of Premises lying waterward of the high water mark line of Arthur Kill. Rights or estate of the State of New Jersey in lands and creeks lying below the original mean high water mark and to that portion of Premises deemed to be meadowlands heretofore flowed by tide. In the event that PURCHASER purchases from the State of New Jersey or the United States of America the State's or United States Government's claimed rights, if any, to any part of such lands and creeks then PURCHASER shall bear the first $125,000

of the cost of such purchase and any additional cost of such purchase shall be borne equally by PURCHASER and SELLER and this provision shall survive the Closing.

5. The Deed to be delivered shall be a Bargain and Sale Deed with covenants against grantor's act in proper statutory form for recording and shall be duly executed and acknowledged so as to convey to PURCHASER on the day of Closing good and marketable title to the real property included in this sale free and clear of liens, encumbrances, covenants, restrictions, rights of way and easements, except as herein provided. The SELLER shall pay the New Jersey Realty Transfer Tax.

Water and sewer taxes and similar charges and electric power and other utilities and similar charges incurred and accrued with respect to the Premises shall be prorated as of the date of Closing. Since the Premises as such (comprising part of a larger tract owned by SELLER) have not been heretofore assessed and taxed as a separate parcel, real estate taxes with respect to the Premises will be prorated as of the date of closing in accordance with Schedule II attached hereto. If any of such items cannot be prorated completely because final bills are not available, final adjustments shall be made after Closing when final bills are available.

Personal property shall be conveyed by a Bill of Sale in proper form which upon its execution and delivery will effectively convey and transfer title to the assets of SELLER purported to be conveyed thereby free of liens, claims and encumbrances except as herein provided. SELLER will be responsible for the New Jersey State sales tax, if any, incurred with respect to the aforesaid transfer of assets and this obligation shall survive delivery of the Bill of Sale.

The parcel being conveyed being part of a larger parcel of property owned by SELLER, approval of a subdivision by the governing body of the City of Linden, shall be a condition to consummation by the parties of the transactions contemplated herein. SELLER duly made an application for approval of a subdivision and at a regular public meeting on May 16, 1972, the Council of the City of Linden approved the recommendation of the Planning Board of the City of Linden classifying and approving the subdivision. Notice of said approval was published on May 25, 1972. A copy of the notice and affidavit of publication has been delivered to PURCHASER. The parties recognize that the approval of the subdivision is subject to attack by appeal for a period of forty-five (45) days from date of publication and agree that if an appeal is taken for any reason from such subdivision approval and such appeal is pending on the date of Closing hereunder that PURCHASER or SELLER shall have the option to terminate this Agreement, the option to be exercised

6. That part of the Premises comprising the buildings, plant, equipment and improvements are to be sold on an "as is, where is" basis without any warranty or representation whatsoever, including any warranty of fitness for a particular use or of merchantability. The PURCHASER acknowledges that it has inspected the plant, equipment and improvements on the Premises and is apprised of the condition thereof.

7. Additional provisions and documents relating to Sale:

A. Fencing of Premises. No later than thirty (30) days after Closing PURCHASER, at its expense, shall enclose portions of the Premises with a fence of a quality and type substantially the same as the fence which now encloses SELLER's land, including necessary and appropriate security gates for roads and railroad crossings, and will enclose other portions of the Premises with a boundary line fence. PURCHASER's fence will be as indicated on Exhibit D attached hereto. PURCHASER at all times, at its expense, shall keep said fences in good repair. Any part of SELLER's existing fence requiring repair because of PURCHASER's installation of its fence shall be done by PURCHASER at its expense. The provisions of this subparagraph A shall survive the Closing.

on Arthur Kill. SELLER shall deliver to PURCHASER, at Closing, a right of way for ingress and egress to and from the Premises in common with SELLER and others over that part of Linde Road, designated on Exhibit D, on the terms and in the form attached hereto as Exhibit E-1.

SELLER and PURCHASER shall deliver to each other at Closing (i) a right of way for ingress and egress through and across the Premises and lands of SELLER through the roadway known as Avenue B as designated on Exhibit D; (ii) a right of way to PURCHASER through Avenue C to Fifth Street to Avenue B and an additional right of way from Avenue B east on Fifth Street to the area including the turn around area on which a 500,000 gallon caustic tank is located, (which right shall cease when the lease of said caustic tank to PURCHASER expires) all as designated on Exhibit D; and (iii) a right of way to SELLER over the roadways known as Eighth Street and Avenue D as designated on Exhibit D for access to the Liming Neutralization Station located on SELLER's land to continue only until SELLER abandons operations of the Liming Neutralization Station located on SELLER's land, all on the terms and in the form annexed hereto as Exhibit E-2.

SELLER shall lease to PURCHASER the use of the said 500,000 gallon caustic tank and grant an easement for a pipeline from the Premises to said caustic tank on the terms and in the form annexed

hereto as Exhibit E-2.

SELLER is now a party to an agreement with E. I. duPont de Nemours & Company for the use of dock facilities on the Arthur Kill including a right of way for a pipeline from the said caustic tank to the dock facilities, which agreement has a term expiring December 31, 1973. SELLER and PURCHASER agree that PURCHASER will negotiate a new lease agreement and right of way for a pipeline over lands of duPont and that the existing agreement between SELLER and duPont shall be terminated.

C. Railroad Facilities. The parties agree to enter into separate sidetrack agreements with The Central Railroad of New Jersey covering those portions of railroad tracks on their respective lands and also an operating agreement with The Central Railroad of New Jersey relating to movement of cars over the tracks on their respective lands. Such agreements are in process of preparation by said railroad company.

SELLER shall deliver to PURCHASER at Closing, (i) a right of way to use not more than 800 feet of the railroad track on SELLER's land designated as Track 2B on Exhibit D, for storage of empty chlorine cars, and (ii) a right of way over and the right to store cars on Tracks 5 and 6 located on SELLER's land as designated on Exhibit D, on the terms and in the form annexed hereto as Exhibit E-3.

PURCHASER shall deliver to SELLER at Closing a right of way over the railroad tracks on the Premises designated on Exhibit D as Tracks 1, 3, 3A, 3B, 3B1, 4, 4A, 4B, 5 and 6 and the right to store railroad cars on Tracks 5 and 6 on the terms and in the form attached hereto as Exhibit E-3.

D. Electricity. Electrical power for the facilities located on the Premises and for facilities located on SELLER's land is provided through a Sub-station which is located on the Premises. PURCHASER and SELLER agree to enter into an agreement providing for the take over of certain equipment located in said Sub-station and the joint use of said Sub-station on the terms and in the form attached hereto as Exhibit E-4.

E. Water. Potable and production fresh water for the facilities on the Premises are supplied by a tap-in to a sixteen (16") inch and a twelve (12") inch water main of Elizabethtown Water Company. PURCHASER will make its own arrangements for supply of such water with the supplier.

PURCHASER agrees to deliver to SELLER at Closing an agreement providing for the supply of salt water, on the terms and in the form attached hereto as Exhibit E-5.

F. Steam. SELLER agrees to deliver to PURCHASER at Closing an agreement providing for the supply of steam to PURCHASER on the terms and in the form attached hereto as Exhibit E-5.

G. Air. SELLER shall deliver to PURCHASER at Closing an agreement providing for a supply of air to PURCHASER on the terms and in the form attached hereto as Exhibit E-5.

H. Nitrogen. Nitrogen was supplied to facilities on the Premises by pipeline from Linde Division of Union Carbide. PURCHASER will make its own arrangements for supplying of Nitrogen.

I. Car Leases. SELLER is a party to various rental agreements for railroad cars for use in the chlorine caustic operations. SELLER agrees to sublease to PURCHASER certain of said cars on the terms and in the form attached hereto as Exhibit E-6.

certain purchase orders for various parts relating to the facilities on the Premises. SELLER agrees to assign to PURCHASER and PURCHASER agrees to accept an assignment and assumption of those certain purchase orders on the terms and in the form attached hereto as Exhibit E-7.

K. Lease of Land for Hydrogen Facility Operated by Linde Division of Union Carbide. SELLER is party to a lease with Linde Division of Union Carbide for a parcel of land indicated on Exhibit D on which Union Carbide operates a hydrogen packaging facility. SELLER has heretofore supplied hydrogen as a by-product of the facilities on the Premises to Linde Division of Union Carbide pursuant to an agreement. SELLER and PURCHASER agree that PURCHASER will negotiate for a new lease and hydrogen supply agreement with Linde Division of Union Carbide and the existing lease and supply agreement between SELLER and Linde Division of Union Carbide shall be terminated.

L. Additional Rights of Way and Easements. PURCHASER agrees to grant to SELLER on the terms and

in the form attached hereto as Exhibit E-8 rights of way and easements for electric lines and poles.

SELLER and PURCHASER agree to grant reciprocal rights to each other and to Public Service Electric & Gas Company of New Jersey for rights of way to electric lines and poles over each others lands if such should become reasonably necessary in the future in order to obtain a supply of electricity for operations of facilities on each of their respective lands, and provided same do not unreasonably interfere with the use of each party's respective lands. The provisions contained in this subparagraph shall survive Closing.

M. Flume and Outfall Ditch for Effluents.

Wastewater effluents from the facilities on the Premises and on lands of SELLER now flow through the flume and outfall ditch as indicated on Exhibit D. PURCHASER shall grant to SELLER the right to use the flume and outfall ditch in common for the disposal of wastewater effluents into Arthur Kill on the terms and in the form attached hereto as Exhibit E-9. It is understood

that SELLER and PURCHASER shall each be responsible for the type and characteristics of wastewater effluents so discharged by it, for respective obtaining of permits to discharge into Arthur Kill and for respective compliance with rules, regulations and orders for pollution control of any governmental authorities, local, state or federal having jurisdiction. SELLER, at its option, may at any time discontinue using said outfall ditch. The provisions of this subparagraph shall survive Closing.

N. PURCHASER agrees to grant to SELLER at Closing a right of way and easement 50 feet in width across the Premises as designated on Exhibit C, for a roadway and pipelines on the terms and the form attached hereto as Exhibit E-10.

8. The Closing for the transactions contemplated by this Agreement shall be held on July 14, 1972, at the offices of SELLER, 140 West 51st Street, New York, N. Y. at 10:00 A. M.

Either SELLER or PURCHASER, by written notice to the other, shall be entitled to postpone the Closing for legal, technical or other bona fide reasons provided that, subject to

Paragraph 9 hereof, the Closing shall be held no later than August 1, 1972.

9. PURCHASER, at its expense, shall cause a title search to be made and shall advise SELLER in writing of any exceptions or objections to title disclosed by such report promptly but not later than five (5) days before the scheduled Closing Date or any agreed upon adjournment thereof. SELLER shall have a right to a reasonable adjournment of the Closing to attempt to cure any such exceptions or objections not to exceed sixty (60) days. PURCHASER shall have the right to inspect all title documents in SELLER's possession relating to the Premises and SELLER agrees, at its expense, to furnish a copy to PURCHASER of such documents as PURCHASER may request with respect to the aforesaid title search. Such instruments shall be furnished as an accommodation without any representation or warranties with respect thereto, it being understood PURCHASER shall make its own title searches.

10. If SELLER for any reason is unable to deliver good and marketable title subject to the terms, conditions and provisions provided herein, SELLER's sole liability shall be to refund to the PURCHASER the payment made on account as provided for herein.

11. If prior to the Closing Date all or a "material" part of the Premises is destroyed by fire or other casualty, either party may, by written notice to the other, elect to cancel this Agreement prior to the Closing Date. In the event that either party shall so elect, both parties shall be relieved and released of and from any further liability hereunder, and the SELLER shall forthwith repay to the PURCHASER the down payment received hereunder. A destruction of a "material" part of the Premises shall be deemed to have occurred for the purposes hereof if operation of the facilities on the Premises for production and shipment of chlorine and caustic are impaired and substantial completion of repairs occasioned by such destruction cannot be reasonably accomplished within a period of sixty (60) days after the occurrence thereof or if such repairs require a payment of in excess of $250,000 for the completion thereof. Unless this Agreement is so cancelled, it shall

remain in full force and effect, and the Closing shall take place as originally scheduled but the purchase price provided herein shall be abated by an amount equal to the proceeds of any insurance collected by SELLER plus any deductible or, in the event the insurance proceeds have not been collected by SELLER at time of Closing, there shall be an abatement in purchase price equal to 90% of the "replacement value" of the destroyed Premises if PURCHASER notifies SELLER of its intention to replace and proceeds to accomplish same, or 90% of the "actual cash value" of the destroyed Premises if PURCHASER notifies SELLER of its intention not to so replace. "Replacement value", "actual cash value", time and cost of repairs shall be determined by such appraisers or other third parties as are mutually satisfactory to the parties hereto. The cost and fees of any such appraiser or other third party shall be borne equally by the parties hereto. The Closing Date shall be adjourned until the amount of abatement in purchase price shall be so determined. Upon final receipt by SELLER of the insurance proceeds related to the loss in question, the SELLER shall pay to PURCHASER any excess of such proceeds over the amount of the abatement in purchase price and PURCHASER shall return to SELLER any short fall in such proceeds in relation to the amount of the abatement in purchase price.

the Premises is destroyed by fire or other casualty, neither party shall have the right to cancel this Agreement and the purchase price provided herein shall be abated in the manner hereinabove provided with final adjustment in payment between the parties to be made as above provided upon final receipt by SELLER of the insurance proceeds related to the loss in question.

If prior to the Closing Date all or a "material" part of the Premises are taken in condemnation proceedings or by right of eminent domain, the SELLER shall promptly notify PURCHASER thereof and either party may by written notice to the other elect to cancel this Agreement prior to the Closing Date. In the event that either party shall so elect both parties shall be relieved and released of and from any further liability hereunder and the SELLER shall repay to the PURCHASER the down payment received hereunder. A taking of a "material" part of the Premises shall be deemed to have occurred for the purpose hereof under the same conditions set forth above with reference to destruction by fire or other casualty. Unless this Agreement is so cancelled it shall remain in full force and effect and the Closing shall take place as originally scheduled and there shall be an abatement or adjustment of the purchase price equal to the amount of any award for such

condemnation or taking which represents damages for loss of the Premises if the amount of award has then been fixed or if not fixed an amount equal to the estimated damage to be determined by such appraisers or other third parties as are mutually satisfactory to the parties hereto. The Closing Date shall be adjourned until the amount of abatement in purchase price shall be so determined. Upon final receipt by SELLER of the award SELLER shall pay to PURCHASER any excess of such proceeds over the amount of abatement in purchase price and PURCHASER shall return to SELLER any short fall in such proceeds in relation to the amount of the abatement in purchase price.

If prior to the Closing Date an immaterial part of the Premises is taken in condemnation proceedings or by right of eminent domain, neither party shall have the right to cancel this Agreement and the PURCHASER shall be entitled to a credit for that part of any award for such condemnation or taking which shall represent damages for loss of the Premises or in the event that no award has been made at the time fixed for the Closing the PURCHASER shall pay the full purchase price without abatement or adjustment and SELLER shall assign to the PURCHASER any and all rights to any award for the Premises to be sold pursuant to this Agreement.

12. The SELLER shall keep the Premises insured to the date of Closing as herein provided on a standard replacement cost basis against loss or damage by fire and other risks now embraced within the phrase "extended coverage" as customarily used from time to time in insurance policies issued in New Jersey on property located therein. The policies of such insurance shall include both SELLER and PURCHASER as insureds as interest shall appear and a certificate or other evidence of such insurance shall be delivered to PURCHASER.

13. SELLER agrees at Closing to execute and deliver to PURCHASER an appropriate non-disclosure agreement in the form attached hereto as Exhibit E-11 covering all technical information, trade secrets, know-how and financial and business information relating to the chlorine caustic operations. Nothing contained herein shall prevent SELLER from commercially exploiting the patents, patent applications and patent proposals listed in Item 20 of Exhibit G and this provision shall survive Closing.

14. PURCHASER shall not assume or be responsible for any debts, obligations, expenses, contracts and liabilities of SELLER of any kind, character or description incurred by SELLER in connection with or arising out of SELLER's ownership and operation of the

Premises and the chlorine caustic facilities located thereon, except as otherwise provided herein or as otherwise expressly agreed upon between SELLER and PURCHASER. The provisions of this Paragraph 14 shall survive the Closing and SELLER agrees to indemnify and hold harmless PURCHASER against any such debts, obligations, expenses, contracts and liabilities of SELLER.

15. SELLER and PURCHASER, each for itself, represents and warrants to the other that it is not a party to, or in any way obligated under any agreement for the payment of brokers' or finders' fees or similar expenses incurred by it in connection with these transactions. SELLER and PURCHASER, each for itself, agrees to hold the other harmless from and against any claim for broker or finder's fees or similar expenses which may be incurred in connection with the transaction under this Agreement pursuant to any agreement claimed to have been made by the party so warranting with any third party.

PURCHASER shall not, without the written consent of an officer of SELLER, employ or offer employment to any person known to PURCHASER then to be an employee of SELLER.

PURCHASER shall take all reasonable precautions to prevent its employees from entering upon the property of SELLER

at Linden, New Jersey, not herein conveyed except as may be required to conduct its business under the lease, easements and rights of way provided for herein. SELLER shall take all reasonable precautions to prevent its employees from entering upon the Premises as conveyed to PURCHASER except as may be required to conduct its business under the easements and rights of way provided for herein.

The provisions of this Paragraph 15 shall survive the Closing.

16. In the event that SELLER should bring within a period of three (3) years from and after the Closing Date an action or actions against Krebs & Cie and/or Badische Anilin & Soda Fabrik A.G. in connection with the operations of the chlorine caustic facilities, PURCHASER shall, at SELLER's expense, cooperate with SELLER in furnishing data as may be reasonably requested including, without limitation, the furnishing to authorized representatives of SELLER access to the Premises and to records and other documents relating to such facilities as SELLER may reasonably request.

The provisions of this Paragraph 16 shall survive the Closing.

17. SELLER shall up to the date of Closing herein provided grant to PURCHASER's officers and exempt salaried personnel and

such other persons as SELLER may give consent, upon request of PURCHASER, access to the Premises, contracts and records on the Premises relating to the chlorine caustic operations and SELLER will make available such other contracts and records relating to the chlorine caustic operations as PURCHASER may reasonably request. All authorized persons are to have access to the Premises only during normal business hours, except officers and employees of PURCHASER who may have access at any time including after business hours and on weekends provided PURCHASER notifies SELLER in advance in order to make appropriate arrangements.

18. All notices to be given by SELLER or PURCHASER shall be in writing and shall be delivered personally or mailed by certified or registered mail postage prepaid:

(a) If to SELLER, to the attention of:

Thomas A. Dent,
Vice President
GAF Corporation
140 West 51st Street
New York, New York 10020

(b) If to PURCHASER, to the attention of:

C. A. Hansen, President
Linden Chlorine Products, Inc.
c/o Shanley & Fisher
570 Broad Street
Newark, New Jersey 07102

Either party may change the address to which notices may be addressed by giving written notice as aforesaid.

19. SELLER shall refer to GAF Corporation, its successors and assigns. PURCHASER shall refer to Linden Chlorine Products, Inc., its successors and assigns.

20. Inasmuch as after the date of Closing SELLER and PURCHASER will be operating facilities adjacent to each other. SELLER and PURCHASER agree to cooperate in matters of mutual concern relating to safety, emergencies and operating convenience, such as access to fire hydrants on each others property, opening and closing of water system valves, temporary storage of railroad cars, and like matters.

The provisions of this Paragraph 20 shall survive the Closing.

21. All representations made herein by each party shall be deemed to be made as of the date of Closing.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

GAF CORPORATION

ATTEST: By _____
Vice President

_____
Secretary

LINDEN CHLORINE PRODUCTS, INC.

ATTEST: By _____
President

_____
ASST SECRETARY

**ATTACHMENT TO QUESTION # 15**

McCARTER & ENGLISH
Four Gateway Center
100 Mulberry Street
Newark, New Jersey
(201) 622-4444
Attorneys for Debtors/
Debtors-in-Possession
RH 2033



UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

| | | |
|---|---|---|
| In the Matter of: | : | |
| | : | Chapter 11 |
| HANLIN GROUP, INC., HANLIN CHEMICALS WEST VIRGINIA, INC., and LCP TRANSPORTATION, INC. | : | Hon. Stephen A. Stripp |
| | : | Case Nos. 91-33872 - 91-33874 |
| Debtors and Debtors-in-Possession | : | (Jointly Administered) |

**CONSENT ORDER APPROVING SETTLEMENT OF ADMINISTRATIVE CLAIMS FILED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

THIS MATTER, having come before the Court, upon the motion of McCarter & English, attorneys for the Debtors and Debtors-in-Possession HANLIN GROUP, INC. ("Hanlin"), HANLIN CHEMICALS WEST VIRGINIA, INC and LCP TRANSPORTATION, INC. (the "Debtors") entitled Second Omnibus Motion to Reduce, Disallow and Expunge Administrative Claims (the "Second Expungement Motion") dated April 8, 1997, seeking an order disallowing and expunging certain administrative claims, including certain claims of the United States, on behalf of the United States Environmental

Protection Agency ("EPA"); and EPA having objected to the motion; and the Court having scheduled a trial on the matter; and the parties having agreed to the terms and conditions of a settlement, subject to court approval; and for good cause shown;

BACKGROUND

1. On June 8, 1994, the Hon. Stephen A. Stripp, U.S.B.J., entered an Order [bar date order] requiring that administrative claims or requests for payment of administrative interests (with certain exceptions not here relevant) be filed with the Court with a copy to Debtors' counsel by August 15, 1994.

2. EPA timely filed one proof of administrative claim, identified as Claim No. 564 in the Debtors' Second Motion to Reduce, which included the following claims:

a. Moundsville Claim. EPA Claim No. 564 included approximately $50,000,000 to $60,000,000 in costs estimated to be incurred in the future in connection with the cleanup of the Debtors' former manufacturing plant located in Moundsville, West Virginia (the "Moundsville Claim").

b. Brunswick Claim. EPA Claim No. 564, as modified by the EPA's Supplement to Proof of Administrative Claim filed in June 13, 1997, included $4,259,442 in environmental response costs allegedly incurred by EPA in connection with the oversight of cleanup operations at

Hanlin's manufacturing site located in Brunswick, Georgia (the "Brunswick Claim").

c. Linden Claim. EPA Claim No. 564, as modified by EPA's filing of a Supplement to Proof of Administrative Claim, included $106,000 for costs alleged to have been incurred, plus $11,050,000 to $14,325,000 in costs estimated to be incurred in the future, in connection with the future cleanup at the Debtor's facility located in Linden, New Jersey (the "Linden Claim").

3. On April 9, 1997, the Debtors filed their Second Expungement Motion dated April 8, 1997, seeking to expunge the EPA's Linden and Moundsville claims and reduce the Brunswick claim to $64,000. On June 13, 1997, EPA timely filed an objection to the disallowance, expungement or reduction of any of its administrative claims.

4. In subsequent filings with the Court, the Debtors took the position that EPA's administrative claims should be reduced, disallowed, or expunged generally based upon the following arguments:

5. Moundsville Claim. The Debtors denied that any environmental agencies had administrative claims against the Debtors as either owners or operators because (a) the Debtors ceased all operations at the Moundsville facility shortly after the Filing Date and no manufacturing has occurred there since

approximately August, 1991; (b) the State of West Virginia foreclosed on the Moundsville facility in November 1990, prior to the Filing Date, and accordingly the Debtors have not owned the Moundsville property since prior to the bankruptcy; and (3) the Debtors abandoned the Moundsville property pursuant an Order authorizing the abandonment dated August 25, 1997. Accordingly, the Debtors argued that any environmental law violations at the Moundsville facility occurred pre-petition and were therefore not entitled to administrative priority.

6. Furthermore, any cleanup obligation the Debtors have with respect to the Moundsville facility has been assumed by a prior owner of the site, AlliedSignal Corp. ("Allied") pursuant to an agreement between Hanlin and Allied entitled the "Environmental Assumption Agreement" ("EAA") dated April 1994. The Debtors have therefore argued that EPA will have no costs associated with cleanup, in light of Allied's assumption of such obligation.

7. Allied is contractually bound to pay for the cost of remediation of the Moundsville facility in accordance with the express terms of the EAA.

8. As a condition of settling its claims against the Debtors, EPA requested assurance from Allied that Allied would not argue that the settlement of such claims would impact

Allied's obligations under the EAA, and Allied agreed to execute a document to that effect.

9. Allied, the Debtors, EPA, and the West Virginia Department of Environmental Protection have signed an agreement (the "Agreement") which is attached and incorporated to this Order, pursuant to which Allied expressly recognizes and reaffirms its continuing obligations pursuant to the EAA, and states that the approval of this settlement does not discharge or otherwise reduce its obligations under the EAA.

10. Brunswick Claim. The Debtors contended that the costs of remediating the Brunswick site had already been incurred by Allied and other former owners, that the Debtors were not liable to EPA for such costs, and that the oversight costs were excessive in any event. EPA denied every aspect of the Debtors' argument. EPA asserted that it had incurred more than $4.2 million in post-petition costs that have not been reimbursed by Allied or others, and claimed that the Debtors are liable for those costs.

11. Linden Claim. The Debtors have not engaged in any manufacturing operations at the Linden site since several years prior to the Filing Date. The Debtors denied that, in the absence of any postpetition activity, there could be any administrative liability associated with the site.

12. EPA does not agree with the Debtors' contention that the EPA claim should be disallowed and expunged as an administrative claim. EPA has asserted that it has incurred approximately $106,000 in post-petition costs at the Linden site and that these costs, along with the costs of fulfilling the Debtors' permit obligations, should be classified as administrative claims. The Debtors do not concede the validity of EPA's objections to expungement and disallowance. Nonetheless, EPA and the Debtors desire to advance the resolution of these matters and thereby avoid additional litigation costs.

NOW, THEREFORE, THIS MATTER the parties having agreed to the following terms and conditions, subject to court approval; and for other good cause shown;

IT IS on this 27th day of April, 1998,

ORDERED, that:

1. The Moundsville Claim.

   a. The Moundsville Claim be and hereby is disallowed and expunged

   b. Disallowance of this claim shall have no impact whatsoever upon Allied's obligations pursuant to the EAA, and the terms of the Agreement concerning the Assumption of Certain Environmental Liabilities in regard to Moundsville, West

Virginia Facility annexed as Exhibit A be and hereby are approved.

2. The Linden Claim. (see also Exhibit B)

a. The Linden Claim be and hereby is reduced and allowed in the following amounts under the following conditions: (1) $106,000 is hereby allowed as an administrative priority claim which shall be paid pro rata with all other allowed administrative claims, except such administrative claims as are subordinated pursuant to agreement or otherwise (the "First Tier"). This shall not preclude the Debtors' counsel from seeking, upon notice and hearing to EPA, a further priority for payment of attorneys' fees incurred in the administration of the remaining assets and claims.

(2) $5,500,000 is hereby allowed as a subordinated administrative priority claim, subordinated to the payment in full of all First Tier claims, and payable prior to the payment of any unsecured (the "Second Tier").

(3) $5,500,000 is hereby allowed as a super subordinated administrative priority claim, subordinated to all other priority claims of any level (including all other administrative priority

claims or interests), which shall be payable only pro-rata with any distributions made to the general unsecured claimants ("Unsecured Administrative Tier").

3. Brunswick Claim. The Brunswick Claim be and hereby is reduced and allowed in the following amounts under the following terms and conditions (see also Exhibit B):

a. $1,000,000 as a First Tier administrative priority claim, payable pro rata with other allowed, unsubordinated administrative claims, net of whatever set-asides are necessary to ensure administration of the remaining assets and claims

b. $500,000 allowed as a Second Tier administrative priority claim, subordinated to all allowed and unsubordinated administrative claims and payable prior to any unsecured claims.

c. $2,700,000 allowed as a Third Tier administrative priority claim, and which shall not be payable until all other administrative and priority claims are paid in full, and shall be paid pro rata with any distributions made to the general unsecured claimants.

4. All other claims by EPA against the Debtors be and hereby are disallowed.

5. In the event this bankruptcy is converted to Chapter 7, the terms of this Order shall continue to be binding upon a Chapter 7 Trustee.

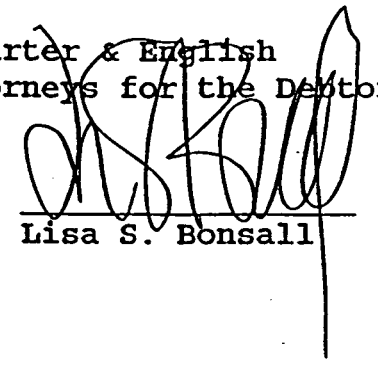
COPIES TO:
— UST
— DBTR
☑ TRUSTEE
☑ COUNSEL
DATE 4-28-98 BY Linda

STEPHEN A. STRIPP
Honorable Stephen A. Stripp,
United States Bankruptcy Judge

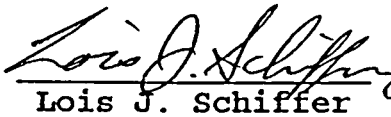
PLEASE SERVE COPIES OF THIS ORDER ON ALL OTHER PARTIES TO THIS ACTION.

We hereby consent to the form and entry of this Order:

McCarter & English
Attorneys for the Debtors

By: 
Lisa S. Bonsall

United States of America

By: 
Lois J. Schiffer
Assistant Attorney General
Environment and Natural Resources Division
United States Department of Justice

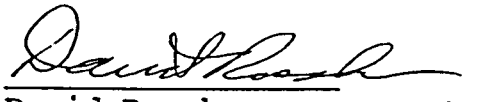

David Rosskam
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EXHIBIT A

AGREEMENT CONCERNING THE ASSUMPTION OF
CERTAIN ENVIRONMENTAL LIABILITIES IN REGARD TO
MOUNDSVILLE, WEST VIRGINIA FACILITY

This Agreement, made this 12th day of March, 1998, is by and among AlliedSignal, Inc., a Delaware corporation with its principal place of business in Morristown, New Jersey ("Allied"); the Hanlin Group, Inc., a Delaware corporation, Debtor in Possession, with a bankruptcy pending in the United States Bankruptcy Court for the District of New Jersey, together with its predecessor(s)-in-interest ("Hanlin"); the United States of America on behalf of the United States Environmental Protection Agency ("the United States"); and the West Virginia Division of Environmental Protection.

WHEREAS, Allied and Hanlin entered into an "Agreement Concerning the Assumption of Certain Environmental Liabilities" dated April 7, 1994 ("the 1994 Agreement") that concerned, *inter alia*, a former Allied facility (as defined therein) located in Moundsville, West Virginia ("Moundsville");

WHEREAS, under the 1994 Agreement, Allied agreed to assume from Hanlin certain of Hanlin's environmental liabilities (as defined and specified therein) for, *inter alia*, Moundsville, and to perform such actions as necessary so that Hanlin incurs no Environmental Costs (as defined therein);

WHEREAS, the United States filed a proof of administrative claim in the Chapter 11 bankruptcy proceeding involving Hanlin (In the Matters of Hanlin Group, Inc., et al., Case Nos. 91-33872 - 91-33875 (SAS) (Bkcy. D. N.J.), asserting, *inter alia*, a claim against Hanlin for costs that the United States has incurred or will incur in addressing environmental contamination at Moundsville, which claim the United States and Hanlin now seek to resolve; and

WHEREAS, the United States desires further clarification regarding Allied's obligations under the 1994 Agreement in the event of a settlement of the United States' bankruptcy claim against Hanlin concerning Moundsville, and Hanlin desires that Allied offer such clarification (in the form of this Agreement) as an action that is necessary to ensure that Hanlin incurs no Environmental Costs with respect to Moundsville, so that Hanlin and the United States can resolve the aforementioned claim of the United States;

NOW, THEREFORE, Allied, Hanlin, and the United States agree that the obligations Allied assumed under the aforementioned "Agreement Concerning the Assumption of Certain Environmental Liabilities," shall not be extinguished,

diminished, or otherwise affected either by the abandonment by Hanlin of the Moundsville facility or by a settlement of the United States' administrative claim against Hanlin under which the United States agrees to compromise its aforementioned claim against Hanlin concerning Moundsville and that, upon approval by the bankruptcy court of such settlement, Allied shall remain liable for and responsible for satisfaction of Environmental Costs (as defined in the 1994 Agreement) concerning Moundsville to the same extent that Allied would be under the 1994 Agreement were the United States to continue to assert against, demand from, or impose upon Hanlin or Hanlin's current or former affiliates liability or costs in connection with Environmental Costs concerning Moundsville.

ALLIEDSIGNAL, INC.

By: Paul A Besman JPC

Leader - Remediation Services
AlliedSignal Inc.
101 Columbia Road
Morristown, NJ 07962

HANLIN GROUP, INC.

By: J C Mayden
TREASURER

UNITED STATES OF AMERICA

By: 

LOIS J. SCHIFFER
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Environment and Natural Resources Division
United States Department of Justice

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WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: 

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State of West Virginia

MARK J. RUDOLPH
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Exhibit B to Consent Order Approving Settlement of
Administrative Claims Filed by the
United States Environmental Protection Agency:
Payment/Allocation Provisions as to Linden and Brunswick Claims

All sums paid to the United States on behalf of EPA pursuant to the attached Consent Order shall be paid as follows:

1. All sums of $10,000 or more shall be paid by Electronic Funds Transfer ("EFT") (FEDWIRE transfer) to the EPA Hazardous Substance Superfund in accordance with EFT instructions that may be obtained, on request at the time the EFT is to be made, from the U.S. Environmental Protection Agency, Office of the Comptroller, Financial Reports & Analysis Branch, Attn: Pat Fay (202) 564-4489.

2. All sums of less $10,000 may be paid either (a) by EFT in accordance with the above paragraph 1, or (b) by certified or cashier's check, which shall be made payable to "EPA- Hazardous Substance Superfund" and sent to:

   U.S. Environmental Protection Agency
   Attention: Superfund Accounting
   P.O. Box 371003M
   Pittsburgh, PA 15251

3. All sums paid in connection with the Linden Claim (see Paragraph 2, pp. 7-8 of the attached Consent Order) shall reference CERCLA Number 02HU. Such funds shall be deposited in the LCP-Linden, NJ Site Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance the response action at or in connection with the Linden Site. Any balance remaining in the LCP-Linden Site Special Account shall be transferred by EPA to the EPA Hazardous Substance Superfund.

4. All sums paid in connection with the Brunswick Claim (see Paragraph 3, pp. 8-9 of the attached Consent Order) shall reference CERCLA Number 04M7. Such funds shall be deposited in the EPA Hazardous Substance Superfund as reimbursement for response costs incurred and paid at or in connection with the LCP-Brunswick, GA Site by the EPA Hazardous Substance Superfund.